

WEDNESDAY, APRIL 23, 2003

THIRTY-SECOND LEGISLATIVE DAY

CALL TO ORDER

The Senate met at 3:00 p.m., and was called to order by Mr. Speaker Wilder.

PRAYER

The proceedings were opened with prayer by Dr. Patrick Polis of New Life Methodist Church in Knoxville, Tennessee, a guest of Senator Atchley.

PLEDGE OF ALLEGIANCE

Senator Atchley led the Senate in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present 32

Senators present were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

STANDING COMMITTEE REPORTS

FINANCE, WAYS AND MEANS

MR. SPEAKER: Your Committee on Finance, Ways and Means begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 2, 27, 236, 305, 384, 393, 427 with amendment, 514, 714, 842, 940 with amendment, 983, 1059, 1064, 1127, 1189, 1399, 1400, 1538, 1582, 1744, 1793, 1819, 1890 and 1910; and House Joint Resolution No. 97.

HENRY, Chairperson
April 22, 2003

The Speaker announced that he had referred Senate Bills Nos. 2, 27, 236, 305, 384, 393, 427 with amendment, 514, 714, 842, 940 with amendment, 983, 1059, 1064, 1127, 1189, 1399, 1400, 1538, 1582, 1744, 1793, 1819, 1890 and 1910; and House Joint Resolution No. 97 to Committee on Calendar.

COMMERCE, LABOR AND AGRICULTURE

MR. SPEAKER: Your Committee on Commerce, Labor and Agriculture begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 279 with amendment, 554 with amendment, 771 with amendment, 818, 897 with amendment, 1023 with amendment, 1518 with amendment, 1716 with amendment, 1721 with amendment, 1806 with

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amendments, 1950 and 2018; also, recommend that Senate Bills Nos. 460 with amendment and 1168 be referred to Committee on Finance, Ways and Means.

COOPER, Chairperson
April 22, 2003

The Speaker announced that he had referred Senate Bills Nos. 279 with amendment, 554 with amendment, 771 with amendment, 818, 897 with amendment, 1023 with amendment, 1518 with amendment, 1716 with amendment, 1721 with amendment, 1806 with amendments, 1950 and 2018 to Committee on Calendar.

The Speaker announced that he had referred Senate Bills Nos. 460 with amendment and 1168 to Committee on Finance, Ways and Means.

JUDICIARY

MR. SPEAKER: Your Committee on Judiciary begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 128 with amendment, 1332 with amendments, 1534 with amendment, 1658 with amendment and 1754; also, recommend that Senate Bill No. 723 be referred to Committee on Finance, Ways and Means.

PERSON, Chairperson
April 22, 2003

The Speaker announced that he had referred Senate Bills Nos. 128 with amendment, 1332 with amendments, 1534 with amendment, 1658 with amendment and 1754 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 723 to Committee on Finance, Ways and Means.

EDUCATION

MR. SPEAKER: Your Committee on Education begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 396, 1288 with amendment, 1383 with amendment, 1560, 1627, 1636 with amendment, 1664 with amendment, 1733 with amendment and 1813; and Senate Joint Resolutions Nos. 205 and 238.

McNALLY, Chairperson
April 23, 2003

The Speaker announced that he had referred Senate Bills Nos. 396, 1288 with amendment, 1383 with amendment, 1560, 1627, 1636 with amendment, 1664 with amendment, 1733 with amendment and 1813; and Senate Joint Resolutions Nos. 205 and 238 to Committee on Calendar.

GENERAL WELFARE, HEALTH AND HUMAN RESOURCES

MR. SPEAKER: Your Committee on General Welfare, Health and Human Resources begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 111 with amendments, 112 with amendments, 178 with amendments, 276, 281 with amendments, 516, 863, 1116 with amendment, 1171, 1207 with amendments, 1387 with amendment, 1816, 1817,

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1820 with amendment, 1848 with amendment, 1941 with amendments and 1944; also, recommend that Senate Bill No. 896 be referred to Committee on Finance, Ways and Means.

FORD, Chairperson
April 23, 2003

The Speaker announced that he had referred Senate Bills Nos. 111 with amendments, 112 with amendments, 178 with amendments, 276, 281 with amendments, 516, 863, 1116 with amendment, 1171, 1207 with amendments, 1387 with amendment, 1816, 1817, 1820 with amendment, 1848 with amendment, 1941 with amendments and 1944 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 896 to Committee on Finance, Ways and Means.

GOVERNMENT OPERATIONS

MR. SPEAKER: Your Committee on Government Operations begs leave to report that we have carefully considered and recommend for passage: Senate Bills Nos. 1028, 1029, 1478 and 1481; also, recommend that Senate Bill No. 823 be referred to Committee on Finance, Ways and Means.

HARPER, Chairperson
April 23, 2003

The Speaker announced that he had referred Senate Bills Nos. 1028, 1029, 1478 and 1481 to Committee on Calendar.

The Speaker announced that he had referred Senate Bill No. 823 to Committee on Finance Ways and Means.

PRESENTATIONS

Senator McLeary presented **Senate Joint Resolution No. 105** to former Senator Bobby Carter.

Senator Graves presented **Senate Joint Resolution No. 66** to Roy Drusky.

MOTION

Senator Norris moved that the rules be suspended for the immediate consideration of **Senate Resolution No. 45**, out of order, which motion prevailed.

RESOLUTION LYING OVER

Senate Resolution No. 45 -- Memorials, Personal Occasion -- William Armstrong, 95th birthday.

On motion of Senator Norris, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Resolution No. 45** was adopted.

A motion to reconsider was tabled.

MOTION

Senator Cohen moved that the rules be suspended for the introduction and immediate consideration of **Senate Joint Resolution No. 305**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Joint Resolution No. 305 by Senator Cohen.

Memorials, Recognition -- Visitors to Stax Museum.

On motion of Senator Cohen, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 305** was adopted.

A motion to reconsider was tabled.

MOTION

Senator Cohen moved that the rules be suspended for the introduction and immediate consideration of **Senate Joint Resolution No. 307**, out of order, which motion prevailed.

INTRODUCTION OF RESOLUTION

Senate Joint Resolution No. 307 by Senator Cohen.

Memorials, Personal Occasion -- Winifred Williamson Doss, 90th birthday.

On motion of Senator Cohen, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 307** was adopted.

A motion to reconsider was tabled.

INTRODUCTION OF BILL

The Speaker announced that the following bill was filed for introduction and passed first consideration:

Senate Bill No. 2020 by Senator Burks.

Monterey -- Subject to local approval, creates office of town administrator. Amends Chapter 492 of the Acts of 1901; as amended.

HOUSE BILLS ON FIRST CONSIDERATION

The Speaker announced that the following House Bills were transmitted to the Senate and passed first consideration:

House Bill No. 63 -- Firearms and Ammunition -- Authorizes county magistrates to carry weapons. Amends TCA Title 39, Chapter 17, Part 13.

House Bill No. 470-- Disabled Persons -- Extends right of access to public accommodations for dog guides in training to dogs being raised or socialized under authority of accredited school for training dog guides. Amends TCA Title 62, Chapter 7.

House Bill No. 519 -- Special License Plates -- Authorizes issuance of Prince Hall Masons new specialty earmarked license plates; allocates 50 percent of funds derived from sale thereof to Orange Mound Lodge #357 to benefit Orange Mound Charities. Amends TCA Title 55, Chapter 4.

House Bill No. 564 -- Telecommunications -- Prohibits mobile telephone usage by motor vehicle operator while vehicle is in motion unless operator maintains both hands on vehicle's steering device; imposes no criminal sanction for violations; however, rebuttable presumption of negligence is established if accident occurs while operator is in violation of such prohibition. Amends TCA Title 55, Chapter 8, Part 1.

House Bill No. 566 -- Economic and Community Development -- Enacts "Inner-City Redevelopment Act of 2003". Amends TCA Title 7, Chapter 84.

House Bill No. 843 -- Local Government, General -- Changes publication of proposed county annual operating budget following presentation to governing body from one day to five days, if publication is in daily newspaper, or to next edition for which notices are accepted, if publication is in newspaper published less frequently than daily. Amends TCA Section 5-8-507.

House Bill No. 1211 -- Election Laws -- Requires question submitted to people in special advisory nonbinding referendum election held by local government to be worded so "yes" vote indicates support and "no" vote indicates opposition. Amends TCA Title 2, Chapter 5.

House Bill No. 1274 -- Motor Vehicles, Titling and Registration -- Makes changes to motor vehicle dealer and agent provisions relative to automobile auctions. Amends TCA Title 55 and Title 62.

House Bill No. 1397 -- Insurance Companies, Agents, Brokers, Policies -- Requires insurer, upon request, to provide insured or producer of record copy of insured's prior three year loss run history. Amends TCA Title 56, Chapter 5.

House Bill No. 1453 -- Dentists -- Authorizes board of dentistry to issue facility permits for dental offices where certain types of anesthesia are performed. Amends TCA Section 63-5-108.

House Bill No. 1481 -- Utilities, Utility Districts -- Upon adoption of resolution by two-thirds vote of county legislative body, and as vacancies occur or terms expire, authorizes county executive to appoint commissioners to gas utility district whose principal office and service area are in Cumberland County. Amends TCA Section 7-82-307.

House Bill No. 1514 -- Sunset Laws -- Local government planning advisory committee, June 30, 2009. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 3.

House Bill No. 1523 -- Sunset Laws -- Interstate library compact, June 30, 2009. Amends TCA Title 4, Chapter 29 and Title 10, Chapter 6.

House Bill No. 1635 -- Naming and Designating -- "William J. Tangye Codes Prop House", Tennessee Fire Service and Code Enforcement Academy.

House Bill No. 1677 -- Firefighters -- Requires instead of allows, that two members of commission on firefighting personnel standards and personnel be selected from candidates approved by Tennessee professional firefighters association. Amends TCA Section 4-24-104.

House Bill No. 1784 -- Municipal Government -- Permits municipalities in counties having population in excess of 100,000, instead of only Davidson and Shelby counties, to conduct criminal conviction record investigation of applicants to transport members of public through TBI and FBI as well as locally. Amends TCA Section 6-54-128.

House Bill No. 1945 -- Unclaimed Property -- Sets new time period when treasurer may sell certain types of abandoned property; establishes procedure for sale of marketable securities; limits amount of claim to sales price when claim is made subsequent to property's sale. Amends TCA Sections 66-29-113, 66-29-119 and 66-29-123(c).

House Bill No. 1970 -- Sunset Laws -- Interstate corrections compact, June 30, 2009. Amends TCA Title 4, Chapter 29 and Title 41, Chapter 23.

House Bill No. 1994 -- Appropriations -- Allows reserve for revenue fluctuations to be used to meet obligations created under insurance policies obtained for use and benefit of state agencies, departments or divisions, subject to specific provisions of General Appropriations Act. Amends Tennessee Code Annotated, Section 9-14-211; Title 9, Chapter 8; and Title 12, Chapter 3, Part 9.

House Bill No. 2000 -- Labor -- Creates "Tennessee Protection of Minor Performers Act". Amends TCA Title 29 and Title 50, Chapter 5.

House Bill No. 2091 -- Claiborne County -- Subject to local approval, imposes wheel tax.

House Bill No. 2095 -- Fayette County -- Subject to local approval, modifies certain provisions within Fayette County adequate facilities tax. Amends Chapter 69 of the Private Acts of 2001.

House Bill No. 2096 -- Portland -- Subject to local approval, establishes four-year term of office for city recorder. Amends Chapter 568 of the Private Acts of 1939; as amended.

INTRODUCTION OF RESOLUTIONS

The Speaker announced the following resolutions were filed for introduction. Pursuant to Rule 21, the resolutions lie over.

Senate Joint Resolution No. 303 by Senator Cooper.
Memorials, Interns -- Jonathan Aaron Taylor.

Senate Joint Resolution No. 304 by Senator Jackson.
Memorials, Academic Achievement -- Keera Johnson, Salutatorian, Giles County High School.

Senate Joint Resolution No. 306 by Senator Crowe.
Memorials, Public Service -- AMVETS.

Senate Joint Resolution No. 308 by Senator Crutchfield.
General Assembly, Recess & Reconvene -- Recesses Senate from close of business on Wednesday, April 30, 2003 until 5:00 p.m. on Monday, May 5, 2003.

Senate Joint Resolution No. 309 by Senator Crowe.
Memorials, Death -- Alan Albertson Young.

Senate Joint Resolution No. 310 by Senator Crowe.

Memorials, Government Officials -- Requests Carter County Commission to name drive between Hampton High School and its football field which runs from U.S. Highway 19E and First Avenue in Carter County "Rachel Clawson Drive".

Senate Joint Resolution No. 311 by Senators McNally, Atchley and Burchett.

Memorials, Public Service -- Alfred Bell, Knox County Election Commission.

Senate Resolution No. 46 by Senator Graves.

Memorials, Interns -- Derek Green.

RESOLUTIONS LYING OVER

House Joint Resolution No. 32 -- Naming and Designating -- "Major General Dan Wood

National Guard Armory" in Henderson.

The Speaker announced that he had referred House Joint Resolution No. 32 to Committee on State and Local Government.

House Joint Resolution No. 61 -- Naming and Designating -- "The Ralph A. Brewer

Administration Building" at Tennessee School for Blind.

The Speaker announced that he had referred House Joint Resolution No. 61 to Committee on Education.

House Joint Resolution No. 387 -- Memorials, Academic Achievement -- Meskerem

Gebreegziabher, Salutatorian, Antioch High School.

The Speaker announced that he had referred House Joint Resolution No. 387 to Committee on Calendar.

House Joint Resolution No. 388 -- Memorials, Academic Achievement -- Taney Culley,

Valedictorian, Antioch High School.

The Speaker announced that he had referred House Joint Resolution No. 388 to Committee on Calendar.

House Joint Resolution No. 389 -- Memorials, Academic Achievement -- Leslie Bunt,

Summa Cum Laude, Loretto High School.

The Speaker announced that he had referred House Joint Resolution No. 389 to Committee on Calendar.

House Joint Resolution No. 390 -- Memorials, Personal Occasion -- Mary Hannah Evans

Jones, birth.

The Speaker announced that he had referred House Joint Resolution No. 390 to Committee on Calendar.

House Joint Resolution No. 391 -- Memorials, Personal Occasion -- John D. and Betty

Treadway, 50th anniversary.

The Speaker announced that he had referred House Joint Resolution No. 391 to Committee on Calendar.

House Joint Resolution No. 392 -- Memorials, Academic Achievement -- Chelsea DeBerry, Salutatorian, Humboldt High School.

The Speaker announced that he had referred House Joint Resolution No. 392 to Committee on Calendar.

House Joint Resolution No. 393 -- Memorials, Academic Achievement -- Tabitha Wendt, Salutatorian, Bradford High School.

The Speaker announced that he had referred House Joint Resolution No. 393 to Committee on Calendar.

House Joint Resolution No. 394 -- Memorials, Academic Achievement -- Clarisa Barnes, Valedictorian, Humboldt High School.

The Speaker announced that he had referred House Joint Resolution No. 394 to Committee on Calendar.

House Joint Resolution No. 395 -- Memorials, Academic Achievement -- Brandon Lanciloti, Valedictorian, Bradford High School.

The Speaker announced that he had referred House Joint Resolution No. 395 to Committee on Calendar.

House Joint Resolution No. 397 -- Memorials, Professional Achievement -- Mark Odom, President of Tennessee Road Builders Association.

The Speaker announced that he had referred House Joint Resolution No. 397 to Committee on Calendar.

House Joint Resolution No. 398 -- Memorials, Sports -- Chantelle Anderson, Vanderbilt women's basketball.

The Speaker announced that he had referred House Joint Resolution No. 398 to Committee on Calendar.

House Joint Resolution No. 399 -- Memorials, Sports -- Ashley McElhiney, Vanderbilt women's basketball.

The Speaker announced that he had referred House Joint Resolution No. 399 to Committee on Calendar.

House Joint Resolution No. 400 -- Memorials, Professional Achievement -- Tracy M. Eubank, Culleoka Unit School Building Level Teacher of the Year.

The Speaker announced that he had referred House Joint Resolution No. 400 to Committee on Calendar.

Senate Joint Resolution No. 300 -- Memorials, Death -- Eldred Kirk Pope.

The Speaker announced that he had referred Senate Joint Resolution No. 300 to Committee on Calendar.

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Senate Joint Resolution No. 301 -- Memorials, Academic Achievement -- Will Borthick, Valedictorian, Springfield High School.

The Speaker announced that he had referred Senate Joint Resolution No. 301 to Committee on Calendar.

Senate Joint Resolution No. 302 -- Memorials, Personal Occasion -- Geneva Sue Reddick, 80th birthday.

The Speaker announced that he had referred Senate Joint Resolution No. 302 to Committee on Calendar.

Senate Resolution No. 38 -- Memorials, Personal Occasion -- Morris and Mildred Bidwell, 50th wedding anniversary.

The Speaker announced that he had referred Senate Resolution No. 38 to Committee on Calendar.

Senate Resolution No. 39 -- Memorials, Academic Achievement -- Kelly Shelton, Salutatorian, Montgomery Central High School.

The Speaker announced that he had referred Senate Resolution No. 39 to Committee on Calendar.

Senate Resolution No. 40 -- Memorials, Academic Achievement -- Laura Elizabeth Sikes, Valedictorian, Rossvie High School.

The Speaker announced that he had referred Senate Resolution No. 40 to Committee on Calendar.

Senate Resolution No. 41 -- Memorials, Academic Achievement -- Sheila Perolina Umayam, Salutatorian, Kenwood High School.

The Speaker announced that he had referred Senate Resolution No. 41 to Committee on Calendar.

Senate Resolution No. 42 -- Memorials, Academic Achievement -- Charles Winters Bergen, Salutatorian, Rossvie High School.

The Speaker announced that he had referred Senate Resolution No. 42 to Committee on Calendar.

Senate Resolution No. 43 -- Memorials, Death -- Thomas Ray Patton.

The Speaker announced that he had referred Senate Resolution No. 43 to Committee on Calendar.

Senate Resolution No. 44 -- Memorials, Death -- Ricky Lynn Brantley.

The Speaker announced that he had referred Senate Resolution No. 44 to Committee on Calendar.

Senate Resolution No. 45 -- Memorials, Personal Occasion -- William Armstrong, 95th birthday.

The Speaker announced that he had referred Senate Resolution No. 45 to Committee on Calendar.

MOTION

Senator Crowe moved that **Senate Joint Resolution No. 282** be rereferred to the Committee on Calendar, which motion prevailed.

CONSENT CALENDAR

House Joint Resolution No. 342 -- Memorials, Academic Achievement -- Daniel J. Adler, Salutatorian, Munford High School.

House Joint Resolution No. 343 -- Memorials, Academic Achievement -- Jessica Robinson, Valedictorian, Munford High School.

House Joint Resolution No. 349 -- Memorials, Personal Achievement -- Braeden Kehoe, NJROTC graduation.

House Joint Resolution No. 350 -- Memorials, Personal Achievement -- Randi Skaggs, NJROTC graduation.

House Joint Resolution No. 351 -- Memorials, Personal Achievement -- Stephanie Thurman, NJROTC graduation.

House Joint Resolution No. 352 -- Memorials, Personal Achievement -- Antoine Parks, NJROTC graduation.

House Joint Resolution No. 353 -- Memorials, Personal Achievement -- Bryan Mohundro, NJROTC graduation.

House Joint Resolution No. 354 -- Memorials, Personal Achievement -- Breion Houston, NJROTC graduation.

House Joint Resolution No. 355 -- Memorials, Personal Achievement -- Dustin Hickman, NJROTC graduation.

House Joint Resolution No. 356 -- Memorials, Academic Achievement -- Laura Kristen Smith, Salutatorian, Columbia Academy.

House Joint Resolution No. 357 -- Memorials, Academic Achievement -- Joshua Edward Michael, Valedictorian, Brighton High School.

House Joint Resolution No. 359 -- Memorials, Professional Achievement -- Connie M. Morris, Brown Elementary School Building Level Teacher of the Year.

House Joint Resolution No. 360 -- Memorials, Professional Achievement -- Sonya Cathey, E.A. Cox Elementary School Teacher of the Year.

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House Joint Resolution No. 361 -- Memorials, Professional Achievement -- Armeia A. Cornelius, Highland Park School Teacher of the Year.

House Joint Resolution No. 362 -- Memorials, Professional Achievement -- Sharon Brown, Columbia Academy Teacher of the Year.

House Joint Resolution No. 363 -- Memorials, Professional Achievement -- Rebekah Spears, Columbia Academy Building Level Teacher of the Year.

House Joint Resolution No. 364 -- Memorials, Professional Achievement -- Ronnie J. Dugger, Mt. Pleasant High School Teacher of the Year.

House Joint Resolution No. 365 -- Memorials, Professional Achievement -- D. Neil King, Mt. Pleasant Elementary Teacher of the Year.

House Joint Resolution No. 366 -- Memorials, Professional Achievement -- Veneeda D. Moore, Central High School Building Level and System Level Teacher of the Year.

House Joint Resolution No. 367 -- Memorials, Professional Achievement -- Daisy Wright, Spring Hill Elementary School Teacher of the Year.

House Joint Resolution No. 368 -- Memorials, Professional Achievement -- Melissa D. McClure, Mt. Pleasant Middle School Teacher of the Year.

House Joint Resolution No. 369 -- Memorials, Professional Achievement -- Jeffrey Rich, Spring Hill High School Teacher of the Year.

House Joint Resolution No. 370 -- Memorials, Professional Achievement -- Teresa V. Gilbreath, Whitthorne Middle School Teacher of the Year.

House Joint Resolution No. 371 -- Memorials, Professional Achievement -- Teresia P. McClanahan, Randolph Howell Elementary Teacher of the Year.

House Joint Resolution No. 372 -- Memorials, Professional Achievement -- Cynthia Wilson, Randolph Howell Elementary School Teacher of the Year.

House Joint Resolution No. 373 -- Memorials, Professional Achievement -- Jackie Park, Baker Elementary School Teacher of the Year.

House Joint Resolution No. 374 -- Memorials, Professional Achievement -- Patricia A. Ridley, J.E. Woodard Elementary School Teacher of the Year.

House Joint Resolution No. 376 -- Memorials, Congratulations -- Julie Hicks, Prudential Spirit of Community Award.

House Joint Resolution No. 377 -- Memorials, Public Service -- Davy Crockett Charity Ride.

House Joint Resolution No. 378 -- Memorials, Professional Achievement -- Lillian Frances Gragg.

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House Joint Resolution No. 379 -- Memorials, Professional Achievement -- Arnold King, Umpire of the Year.

House Joint Resolution No. 382 -- Memorials, Sports -- Maryville High School Class 4A Championship.

House Joint Resolution No. 383 -- Memorials, Sports -- Carl Stewart, Maryville High School Senior Tailback, Division I-4A American General Mr. Football Award Winner for 2002.

House Joint Resolution No. 384 -- Memorials, Professional Achievement -- Kay D. Rogers, McDowell Elementary Teacher of the Year.

House Joint Resolution No. 385 -- Memorials, Professional Achievement -- Mary Ellen Cook, Culleoka Unit School Teacher of the Year.

House Joint Resolution No. 386 -- Memorials, Professional Achievement -- Mary Ruth Campbell, Culleoka Unit School Teacher of the Year.

House Joint Resolution No. 396 -- Memorials, Congratulations -- City of Friendsville, 50 years of incorporation.

Senate Joint Resolution No. 278 -- Memorials, Academic Achievement -- Christopher Brady Bledsoe, Valedictorian, Dickson County High School.

Senate Joint Resolution No. 279 -- Memorials, Academic Achievement -- Yang Lin, Valedictorian, Frayser High School.

Senate Joint Resolution No. 280 -- Memorials, Academic Achievement -- Tabitha Elizabeth Hamilton, Salutatorian, Frayser High School.

Senate Joint Resolution No. 283 -- Memorials, Academic Achievement -- Robert Patrick, Valedictorian, McEwen High School.

Senate Joint Resolution No. 284 -- Memorials, Academic Achievement -- Cheryl Leigh Sesler, Salutatorian, Creek Wood High School.

Senate Joint Resolution No. 285 -- Memorials, Academic Achievement -- Brittany Lynett Galloway, Salutatorian, Lewis County High School.

Senate Joint Resolution No. 286 -- Memorials, Academic Achievement -- Megan Plunkett, Valedictorian, Hickman County High School.

Senate Joint Resolution No. 287 -- Memorials, Academic Achievement -- Brian McCormick, Valedictorian, Creek Wood High School.

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Senate Joint Resolution No. 288 -- Memorials, Academic Achievement -- Kimberly Ann Morrow, Salutatorian, Hickman County High School.

Senate Joint Resolution No. 289 -- Memorials, Academic Achievement -- Beau Rader, Valedictorian, Springfield High School.

Senate Joint Resolution No. 290 -- Memorials, Academic Achievement -- Jessica Raines, Valedictorian, Springfield High School.

Senate Joint Resolution No. 291 -- Memorials, Academic Achievement -- Ashley N. Bassel, Valedictorian, Springfield High School.

Senate Joint Resolution No. 292 -- Memorials, Academic Achievement -- Erin Stewart, Valedictorian, Springfield High School.

Senate Joint Resolution No. 293 -- Memorials, Academic Achievement -- Jessica Arnold, Valedictorian, Springfield High School.

Senate Joint Resolution No. 294 -- Memorials, Academic Achievement -- Jessica H. Ellis, Valedictorian, Springfield High School.

Senate Joint Resolution No. 295 -- Memorials, Academic Achievement -- Meghan Oudman, Valedictorian, Springfield High School.

Senate Joint Resolution No. 296 -- Memorials, Academic Achievement -- Jennifer Nicole Gann, Valedictorian, Springfield High School.

Senate Joint Resolution No. 297 -- Memorials, Academic Achievement -- William Blake Hooper, Valedictorian, East Robertson High School.

Senate Joint Resolution No. 298 -- Memorials, Academic Achievement -- Barrett Owen, Salutatorian, East Robertson High School.

Senate Joint Resolution No. 300 -- Memorials, Death -- Eldred Kirk Pope.

Senate Resolution No. 34 -- Memorials, Academic Achievement -- Michael Quinn Levy, Salutatorian, Academy for Academic Excellence.

Senate Resolution No. 35 -- Memorials, Academic Achievement -- Ian Winters, Valedictorian, Clarksville Academy.

Senate Resolution No. 36 -- Memorials, Academic Achievement -- Shaun Collins, Salutatorian, Clarksville Academy.

Senate Resolution No. 37 -- Memorials, Academic Achievement -- Diana Morgan Yrabadra, Valedictorian, Academy for Academic Excellence.

Senate Resolution No. 38 -- Memorials, Personal Occasion -- Morris and Mildred Bidwell, 50th wedding anniversary.

Senate Resolution No. 39 -- Memorials, Academic Achievement -- Kelly Shelton, Salutatorian, Montgomery Central High School.

Senate Resolution No. 40 -- Memorials, Academic Achievement -- Laura Elizabeth Sikes, Valedictorian, Rossville High School.

Senate Resolution No. 41 -- Memorials, Academic Achievement -- Sheila Perolina Umayam, Salutatorian, Kenwood High School.

Senate Resolution No. 42 -- Memorials, Academic Achievement -- Charles Winters Bergen, Salutatorian, Rossville High School.

Senator Crowe moved that all Senate Joint Resolutions and Senate Resolutions be adopted; and all House Joint Resolutions be concurred in, which motion prevailed by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

CALENDAR

Senate Bill No. 1 -- Lottery -- Enacts "Tennessee Education Lottery Implementation Law". Amends TCA Title 4; Title 33; Title 38; Title 39; Title 49 and Title 68.

Senator Kurita moved that Amendment No. 1 be withdrawn, which motion prevailed.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 2

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. This act shall be known and may be cited as the "Tennessee Education Lottery Implementation Law".

SECTION 2. Tennessee Code Annotated, Title 4, is amended by adding the following language as a new, appropriately designated chapter:

Section 4-51-101. (a) There is hereby created a corporation which shall be known as the "Tennessee Education Lottery Corporation".

(b) The corporation shall be registered with the secretary of state and shall be subject to the corporate laws of the state of Tennessee.

(c) The corporation shall be a body, politic and corporate, and a quasi-public instrumentality, and not a state agency or department, which shall be deemed to be acting in all respects for the benefit of the people of the state through the operation of a state lottery and in the performance of other essential public functions entrusted to it.

(d) The corporation shall have perpetual succession and shall adopt, amend and repeal bylaws and regulations for the conduct of its affairs.

(e) Venue for the corporation is Davidson County.

Section 4-51-102. As used in this chapter, unless the context otherwise requires:

(1) "Board" means the board of directors of the Tennessee Education Lottery Corporation;

(2) "Chief executive officer" means the chief executive officer of the Tennessee Education Lottery Corporation;

(3) "Corporation" means the Tennessee Education Lottery Corporation;

(4) "Director" means a member of the board of directors of the Tennessee Education Lottery Corporation;

(5) "Educational programs and purposes" means financial assistance to Tennessee citizens to enable such citizens to attend post-secondary educational institutions located within Tennessee, capital outlay projects for kindergarten through grade twelve (K-12) educational facilities, early learning programs and after school programs;

(6) "Immediate family" means a spouse, child, step-child, brother, sister, son-in-law, daughter-in-law, parent or grandparent;

(7) "Local government unit" means any county, metropolitan government, incorporated town or city, or special district of the state;

(8) "Lottery," "lotteries," "lottery game," or "lottery games" means any game of chance approved by the board and operated pursuant to this chapter, including, but not limited to, instant tickets, on-line games and games using mechanical or electronic devices. For the purposes of this chapter, "lottery," "lotteries," "lottery game," or "lottery games" does not include:

(A) Casino gambling or games of chance associated with casinos and prohibited pursuant to Article XI, Section 5 of the Constitution of Tennessee. For the purposes of this item, "casino gambling" means a location or business for the purpose of conducting illegal gambling activities, excluding the sale and purchase of lottery tickets or shares as authorized by this chapter; or

(B) Video lottery. For the purposes of this item, "video lottery" means a lottery that allows a game to be played utilizing an electronic computer and an interactive terminal device, equipped with a video screen and keys, a keyboard or other equipment allowing input by an individual player, into which the player inserts coins or currency as consideration in order for play to be available, and through which terminal device, the player may receive free games or a voucher that can be redeemed for cash or non-cash prize, or nothing, determined wholly or predominantly by chance.

(9) "Lottery proceeds" or "proceeds" means all lottery revenue derived from the sale of lottery tickets or shares and all other monies derived from the lottery or received by the corporation;

(10) "Lottery retailer" or "retailer" means a person who sells lottery tickets or shares on behalf of the corporation pursuant to a contract;

(11) "Lottery vendor" or "vendor" means a person who provides or proposes to provide goods or services to the corporation pursuant to a major procurement contract, but does not include an employee of the corporation, a retailer, or a state agency or instrumentality thereof. Such term does include a corporation whose shares are traded publicly and which is the parent company of the contracting party in a major procurement contract;

(12) "Major procurement contract" means any gaming product or service costing in excess of seventy-five thousand dollars (\$75,000), including, but not limited to, major advertising contracts, annuity contracts, prize payment agreements, consulting services, equipment, tickets, and other products and services unique to the Tennessee lottery, but not including materials, supplies, equipment, and services common to the ordinary operations of a corporation;

(13) "Minority-owned business" means a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls the daily operations of such business and who is impeded from normal entry into the economic mainstream because of:

(A) Past practices of discrimination based on race, religion, ethnic background, or sex;

(B) A disability as defined in § 4-26-102; or

(C) Past practices of racial discrimination against African-Americans;

(14) "Net proceeds" or "net lottery proceeds" means all revenue derived from the sale of lottery tickets or shares and all other monies derived from lottery games less operating expenses;

(15) "Operating expense" means all costs of doing business including, but not limited to, prizes, commissions, and other compensation paid to a lottery retailer, advertising and marketing costs, rental fees, personnel costs, capital costs, depreciation of property and equipment, funds for per diem expenses of the legislative select committee created pursuant to Section 3 of this act, funds for compulsive gambling education and treatment, amounts held in or paid from a fidelity fund pursuant to § 4-51-118, and all other operating costs;

(16) "Person" means any individual, corporation, partnership, unincorporated association, or other legal entity;

(17) "Prize" means an award, gift or anything of value regardless of whether there are conditions or restrictions attached to its receipt;

(18) "Share" means any intangible evidence of participation in a lottery game; and

(19) "Ticket" means any tangible evidence issued by the lottery to provide participation in a lottery game.

Section 4-51-103. (a) The corporation shall be governed by a board of directors composed of nine (9) directors.

(b) The directors shall be residents of Tennessee, shall have expertise in their businesses or professions and shall be appointed as follows:

(1) Three (3) directors, one (1) from each grand division, by the Speaker of the Senate;

(2) Three (3) directors, one (1) from each grand division, by the Speaker of the House; and

(3) Three (3) directors, one (1) from each grand division, by the Governor.

(c)(1) No person shall serve as a director of the corporation who has been convicted of:

(A) Any felony;

(B) A misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor;

(C) Any violation of this chapter; or

(D) Any offense in a federal court, military court or court of another state, territory or jurisdiction which under the laws of this state would disqualify such person pursuant to subdivisions (1)(A), (1)(B) or (1)(C).

(2) Prior to the appointment of a person as a director, the appointing authority shall submit the names of potential directors to the Tennessee Bureau of Investigation and the Tennessee Bureau of Investigation, pursuant to § 38-6-109, shall conduct a criminal history records check on all such persons. The Tennessee Bureau of Investigation may contract with the Federal Bureau of Investigation, other law enforcement agency or any other legally authorized entity to assist in such investigation. Such persons shall supply a fingerprint sample on request and in the manner requested by the investigating entity. The Tennessee Bureau of Investigation shall conduct such investigation as soon as practicable after submission of names by the appointing authorities. The corporation shall pay, as an operating expense, the cost of the records check. The results of such a records check shall not be considered a record open to the public pursuant to Title 10, Chapter 7, Part 5.

(d) In making the appointments pursuant to subsection (b), the Speaker of the Senate, the Speaker of the House of Representatives and the Governor shall strive to ensure that the board is composed of directors who are diverse in professional or educational background, ethnicity, race, gender, geographic residency, heritage, perspective and experience.

(e) Directors shall serve terms of five (5) years; provided that of the initial directors appointed:

(1) Three (3) directors, one (1) by each appointing authority, shall be appointed for initial terms of two (2) years;

(2) Three (3) directors, one (1) by each appointing authority, shall be appointed for initial terms of four (4) years; and

(3) Three (3) directors, one (1) by each appointing authority, shall be appointed for initial terms of five (5) years.

(f) All appointments of the directors shall be confirmed by joint resolution adopted by each house of the General Assembly prior to the commencement of the term of office to which such director is appointed. Any vacancy on the board shall be filled by the original appointing authority for such position to serve the unexpired term and such appointment shall be confirmed in the same manner as the original appointment. However, if the General Assembly is not in session and a vacancy occurs, the appropriate appointing authority shall fill such vacancy by appointment and the appointee to such vacancy shall serve the unexpired term unless such appointment is not confirmed within thirty (30) days after the General Assembly next convenes following the appointment to fill such vacancy.

(g) The term of office of each director shall commence on July 1, following such director's appointment; provided that the term of office for each initial director shall commence on the date of confirmation but shall be calculated, for purposes of the term, from July 1, 2003.

(h) Directors of the board, or any member of their immediate family, shall not have a direct or indirect interest at the time of their appointment, or within a period of two (2) years prior to their appointment, in any undertaking that puts their personal

interest in conflict with that of the corporation, including, but not limited to, any interest, through ownership, stock or otherwise, in a major procurement contract or a participating retailer; provided that a director, or a member of such director's immediate family, may hold an incidental interest not to exceed one percent (1%) of the outstanding stock of a participating retailer.

(i) The directors shall elect from their membership a chairperson and vice chairperson. The directors shall also elect a secretary and treasurer who may, from time-to-time, serve as the acting chief executive officer of the corporation. Such officers shall serve for such terms as shall be prescribed by the bylaws of the corporation or until their respective successors are elected and qualified. No director of the board shall hold more than one (1) office of the corporation, except that the same director may serve as secretary and treasurer.

(j) The board of directors may delegate to one (1) or more of its members, to the chief executive officer, or to any agent or employee of the corporation such powers and duties as it may deem proper.

(k) A majority of members in office shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the corporation.

(l) Action may be taken and motions and resolutions adopted by the board at any meeting thereof by the affirmative vote of a majority of present and voting board directors.

(m) No vacancy in the membership of the board shall impair the right of the directors to exercise all the powers and perform all the duties of the board.

(n)(1) Upon approval by the chairperson, directors of the board shall be reimbursed for actual and reasonable expenses incurred or a per diem not to exceed the per diem provided to members of the General Assembly pursuant to § 3-1-106 for each day's service spent in the performance of the duties of the corporation or both.

(2) Directors shall not receive a salary for their duties as board members.

Section 4-51-104. (a) The board of directors shall appoint and shall provide for the compensation of a chief executive officer who shall be an employee of the corporation and who shall direct the day-to-day operations and management of the corporation and shall be vested with such powers and duties as specified by the board and by law. The chief executive officer shall serve at the pleasure of the board.

(b) The board of directors shall provide the chief executive officer with private sector perspectives of a large marketing enterprise.

(c) The board of directors shall:

(1) Approve, disapprove, amend, or modify the budget recommended by the chief executive officer for the operation of the corporation;

(2) Approve, disapprove, amend, or modify the terms of major lottery procurements recommended by the chief executive officer;

(3) Hear appeals required by this chapter;

(4) Adopt regulations, policies, and procedures relating to the conduct of lottery games and as specified in § 4-51-108; and

(5) Perform such other functions as specified by this chapter.

Section 4-51-105. (a) The corporation shall have any and all powers necessary or convenient to its usefulness in carrying out and effectuating the purposes and provisions of this chapter which are not in conflict with the constitution of this state and which are generally exercised by corporations engaged in entrepreneurial pursuits, including, but limited to, the following powers:

(1) To sue and be sued in contract and in tort and to complain and defend in all courts;

(2) To adopt and alter a seal;

(3) To adopt, amend, and repeal bylaws, regulations, and policies and procedures for the regulation of its affairs and the conduct of its business; to elect and prescribe the duties of officers and employees of the corporation; and to perform such other matters as the corporation may determine. In the adoption of bylaws, regulations, policies, and procedures or in the exercise of any regulatory power, the corporation shall be exempt from the requirements of the Tennessee Uniform Administrative Procedure Act, compiled in Title 4, Chapter 5;

(4) To procure or to provide insurance;

(5) To hold copyrights, trademarks, and service marks and enforce its rights with respect thereto;

(6) To initiate, supervise, and administer the operation of the lottery in accordance with the provisions of this chapter and regulations, policies, and procedures adopted pursuant thereto;

(7) To enter into written agreements with one (1) or more other states or sovereigns for the operation, participation in marketing, and promotion of a joint lottery or joint lottery games;

(8) To conduct such market research as is necessary or appropriate, which may include an analysis of the demographic characteristics of the players of each lottery game and an analysis of advertising, promotion, public relations, incentives, and other aspects of communication;

(9) To acquire or lease real property and make improvements thereon and acquire by lease or by purchase tangible personal property and intangible personal property;

(10) To enter into contracts to incur debt in its own name and enter into financing agreements with the state, agencies or instrumentalities of the state, or with any commercial bank or credit provider; provided that any such debt must be approved by the state funding board;

(11) To be authorized to administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence relative to any investigation or proceeding conducted by the corporation;

(12) To appoint and select officers, agents, and employees, including professional and administrative staff and personnel and hearing officers to conduct hearings required by this chapter, and to fix their compensation, pay their expenses, and provide a benefit program, including, but not limited to, a retirement plan and a group insurance plan; provided that the corporation may become a participating employer in the Tennessee consolidated retirement system pursuant to Section 4 of this act and may be eligible for state group health insurance pursuant to § 8-27-207;

(13) To select and contract with vendors and retailers;

(14) To enter into contracts or agreements with the Tennessee Bureau of Investigation, local law enforcement agencies, appropriate federal agencies or private companies for the performance of criminal record checks, background investigations and security checks;

(15) To enter into contracts of any and all types on such terms and conditions as the corporation may determine;

(16) To establish and maintain banking and other financial relationships, including, but not limited to, establishment of checking and savings accounts and lines of credit;

(17) To advertise and promote the lottery and lottery games in a dignified and responsible manner;

(18) To act as a retailer, to conduct promotions which involve the dispensing of lottery tickets or shares, and to establish and operate sales facilities to sell lottery tickets or shares and any related merchandise;

(19) To establish and maintain regional offices; provided that there shall be at least one (1) such office in each grand division; and

(20) To adopt and amend such regulations, policies, and procedures as necessary to carry out and implement its powers and duties, organize and operate the corporation, regulate the conduct of lottery games in general, and any other matters necessary or desirable for the efficient and effective operation of the lottery or the convenience of the public. The promulgation of any such regulations, policies, and procedures shall be exempt from the requirements of the Tennessee Uniform Administrative Procedure Act, compiled in Title 4, Chapter 5.

(b) The powers enumerated in subsection (a) of this section are cumulative of and in addition to those powers enumerated elsewhere in this chapter, and do not limit or restrict any other powers of the corporation.

Section 4-51-106. (a)(1) Investment of funds of the corporation shall be undertaken in a manner that first seeks to ensure preservation of principal, next ensures the liquidity needs of the corporation are met and, after satisfaction of the preceding objectives, seeks a market rate of return.

(2) Pursuant to § 4-51-105(a)(3), the corporation shall adopt an investment policy to govern the investment of assets consistent with the objectives listed in subdivision (1).

(3) A copy of such policy, and any revisions thereto, shall be filed with the state funding board.

(b) The corporation shall be authorized to invest in securities as provided in § 9-4-602; provided that if the business needs of the corporation necessitate investment in securities or classes of securities not specifically authorized in § 9-4-602, the corporation shall be authorized to invest in such additional securities or classes of securities after filing a statement with the state funding board describing the need for, and nature of, such additional security or classes of securities.

(c) The corporation is authorized, but not required, to invest its monies as part of the local government investment pool created in Title 9, Chapter 4, Part 7 and shall be deemed to be eligible for participation in such pool.

Section 4-51-107. (a) In accordance with § 4-51-105(a)(16), the corporation shall establish and maintain bank accounts only in institutions deemed to be a qualified public depository pursuant to Title 9, Chapter 4, Part 5; provided that if business needs dictate the establishment of accounts with an institution other than a qualified public depository, the corporation may create such accounts after filing a statement with the state funding board describing the business need for accounts at such an institution and the corporation's plan for securing funds on deposit with such an institution.

(b) For purposes of § 45-2-611, the corporation shall be considered a "governmental entity" and funds in its possession shall be deemed to be "public funds".

Section 4-51-108. (a) The board may adopt regulations, policies, and procedures regulating the conduct of lottery games in general, including, but not limited to, regulations, policies, and procedures specifying:

(1) The type of games to be conducted, including, but not limited to, instant lotteries, on-line games, and other games traditional to the lottery. Such games may include the selling of tickets or shares or the use of electronic or mechanical devices; provided that the board shall not approve, and the corporation shall not operate, video lottery as defined in § 4-51-102(8)(B);

(2) The sales price of tickets or shares and the manner of sale; provided that all sales shall be for cash only and that payment by checks, credit cards, charge cards or any form of deferred payment is prohibited. For the purposes of this subdivision, "cash" means coins, notes or debit cards. Nothing in this subdivision shall be construed as prohibiting or restricting the sale of lottery tickets or shares by the corporation through any form of payment and in any amount;

(3) The type, number and amount of prizes;

(4) The method and location of selecting or validating winning tickets or shares;

(5) The manner and time of payment of prizes, which may include lump sum payments or installments over a period of years;

(6) The manner of payment of prizes by the corporation or a lottery retailer to the holders of winning tickets or shares, including, without limitation, provision for payment of prizes not exceeding six hundred dollars (\$600) after deducting the price of the ticket or share and after performing validation procedures appropriate to the game and as specified by the board;

(7) The frequency of games and drawings or selection of winning tickets or shares;

(8) The means of conducting drawings;

(9)(A) The method to be used in selling tickets or shares, which may include the use of electronic or mechanical devices, but such devices shall only be placed in locations on the premises of the lottery retailer which are within the view of such retailer or an employee of such retailer. All electronic or mechanical devices shall bear a conspicuous label at least twelve inches (12") in circumference prohibiting the use of such device by persons under eighteen (18) years of age, stating the following:

ATTENTION: STATE LAW STRICTLY PROHIBITS THE SALE OF LOTTERY TICKETS TO PERSONS UNDER THE AGE OF EIGHTEEN (18) YEARS; PROOF OF AGE MAY BE REQUIRED FOR PURCHASE.

* * *

ATENCION: POR LEY DEL ESTADO DE TENNESSEE ES ESTRUCTAMENTE PROHIBIDO VENDER BOLETAS DE LOTERIA A PERSONAS MENORES DE DIECIOCHO AÑOS; PRUEBA DE EDAD PUEDE SER REQUERIDA PARA COMPRARLAS.

(B) A lottery retailer who allows a person under eighteen (18) years of age to purchase a lottery ticket or share from an electronic or mechanical device shall be subject to the penalties provided in § 39-17-602;

(10) The manner and amount of compensation to lottery retailers; and

(11) Any and all other matters necessary, desirable, or convenient toward ensuring the efficient and effective operation of lottery games, the continued entertainment and convenience of the public, and the integrity of the lottery.

(b) The board may delegate the adoption of regulations, policies, and procedures relating to the conduct of lottery games to the chief executive officer.

(c) The corporation shall not print on any lottery ticket a representation or likeness of the state flag, as provided in § 4-1-301, or the state seal, as provided in § 4-1-314.

Section 4-51-109. (a) The chief executive officer of the corporation shall direct and supervise all administrative and technical activities in accordance with the provisions of this chapter and with the regulations, policies, and procedures adopted by the board. It shall be the duty of the chief executive officer to:

(1) Facilitate the initiation and supervise and administer the operation of the lottery games;

(2) Employ and direct such personnel as deemed necessary;

(3) Employ by contract and compensate such persons and firms as deemed necessary;

(4) Promote or provide for promotion of the lottery and any functions related to the corporation;

(5) Prepare a budget for the approval of the board;

(6) Require bond from such retailers and vendors in such amounts as required by the board;

(7) Report quarterly to the state comptroller, the state treasurer, the legislative select committee created pursuant to Section 3 of this act and the board a full and complete statement of lottery revenues and expenses for the preceding quarter; and

(8) Perform other duties generally associated with a chief executive officer of a corporation of an entrepreneurial nature.

(b) The chief executive officer may for good cause suspend, revoke, or refuse to renew any contract entered into in accordance with the provisions of this chapter or the regulations, policies, and procedures of the board.

(c) The chief executive officer or his designee may conduct hearings and administer oaths to persons for the purpose of assuring the security or integrity of lottery operations or to determine the qualifications of or compliance by vendors and retailers.

(d)(1) No person shall serve as chief executive officer of the corporation who has been convicted of:

(A) Any felony;

(B) A misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor;

(C) Any violation of this chapter; or

(D) Any offense in a federal court, military court or court of another state, territory or jurisdiction which under the laws of this state would disqualify such person pursuant to subdivisions (1)(A), (1)(B) or (1)(C).

(2) Prior to employment of a person as the chief executive officer, the board shall submit the names of potential chief executive officers to the Tennessee Bureau of Investigation and the Tennessee Bureau of Investigation, pursuant to § 38-6-109, shall conduct a criminal history records check on all such persons. The Tennessee Bureau of Investigation may contract with the Federal Bureau of Investigation, other law enforcement agency or any other legally authorized entity to assist in such investigation. Such persons shall supply a fingerprint sample on request and in the manner requested by the investigating entity. The Tennessee Bureau of Investigation shall conduct such investigation as soon as practicable after submission of names by the appointing authorities. The corporation shall pay, as an operating expense, the cost of the records check. The results of such a records check shall not be considered a record open to the public pursuant to Title 10, Chapter 7, Part 5.

Section 4-51-110. (a) The corporation shall establish and maintain a personnel program for its employees and fix the compensation and terms of compensation of its employees, including, but not limited to, production incentive payments.

(b) No employee of the corporation shall have a financial interest in any vendor doing business or proposing to do business with the corporation.

(c) No employee of the corporation, with decision-making authority, shall participate in any decision involving a retailer with whom the employee has a financial interest.

(d) No employee of the corporation who leaves the employment of the corporation may represent any vendor or lottery retailer before the corporation for a period of two (2) years following termination of employment with the corporation.

(e) Prior to employment of a person as an employee of the corporation at the level of division director and above and at any level within the division of security and as otherwise required by the board, the chief executive officer, or such officer's designee, shall submit the names of potential employees to the Tennessee Bureau of

Investigation and the Tennessee Bureau of Investigation, pursuant to § 38-6-109, shall conduct a criminal history records check on all such persons. The Tennessee Bureau of Investigation may contract with the Federal Bureau of Investigation, other law enforcement agency or any other legally authorized entity to assist in such investigation. Such persons shall supply a fingerprint sample on request and in the manner requested by the investigating entity. The Tennessee Bureau of Investigation shall conduct such investigation as soon as practicable after submission of names by the appointing authorities. The corporation shall pay, as an operating expense, the cost of the records check. The results of such a records check shall not be considered a record open to the public pursuant to Title 10, Chapter 7, Part 5.

(f) No person shall be employed by the corporation who has been convicted of:

(1) Any felony;

(2) A misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor;

(3) Any violation of this chapter; or

(4) Any offense in a federal court, military court or court of another state, territory or jurisdiction which under the laws of this state would disqualify such person pursuant to subdivisions (1), (2) or (3).

(g) The corporation shall bond corporation employees with access to corporation funds or lottery revenue in such an amount as provided by the board and may bond other employees as deemed necessary.

Section 4-51-111. (a)(1) All lottery proceeds shall be the property of the corporation.

(2) From its lottery proceeds the corporation shall pay the operating expenses of the corporation. As nearly as practical, at least fifty percent (50%) of the amount of money from the actual sale of lottery tickets or shares shall be made available as prize money; provided that this paragraph shall be deemed not to create any lien, entitlement, cause of action, or other private right, and any rights of holders of tickets or shares shall be determined by the corporation in setting the terms of its lottery or lotteries.

(3) As nearly as practical, for each fiscal year, net lottery proceeds shall equal at least thirty-five percent (35%) of the lottery proceeds; provided that for the first two (2) full fiscal years and any partial first fiscal year of the corporation net lottery proceeds need only equal, as nearly as practical, thirty percent (30%) of the lottery proceeds.

(b)(1) There is hereby created within the state treasury a "lottery for education account". Amounts remaining in the account at the end of each fiscal year shall not revert to the general fund. Money in the account shall be invested by the state treasurer pursuant to Title 9, Chapter 4, Part 6 for the sole benefit of

the account. All earnings attributable to such investments shall be credited to the "lottery for education account".

(2) On or before the fifteenth day of the first month of each quarter, the corporation shall transfer to the state treasury, for credit to the lottery for education account, an amount representing the net lottery proceeds for the immediately preceding quarter. Upon deposit into the state treasury, net lottery proceeds shall become the unencumbered property of the state of Tennessee and the corporation shall have no power to agree or undertake otherwise. Except as otherwise provided in subdivision (3), such funds shall be for education programs and purposes only.

(3) A general shortfall reserve subaccount shall be maintained within the lottery for education account. The amount of the general shortfall reserve subaccount shall be the accumulated total of ten percent (10%) of net lottery proceeds deposited into the lottery for education account from all deposits made to the fund from the initial deposit until the last deposit made in fiscal year 2007-2008. Thereafter, only an amount necessary to maintain the general shortfall reserve subaccount in an amount equal to such accumulated total shall be deposited into the subaccount. The amount in the general shortfall reserve subaccount may be used to make or support loans to local government units for educational programs and purposes in accordance with Article XI, Section 5 of the Constitution of Tennessee and to pay or secure debt issued for such programs and purposes as otherwise provided by law. If the net lottery proceeds deposited into the lottery for education account in any year, exclusive of the amount in the general shortfall reserve subaccount, are not sufficient to meet the amount appropriated for educational programs and purposes pursuant to subsection (c) of this section, the general shortfall reserve subaccount may be drawn upon to meet the deficiency; provided that reserves in the account shall be used first for any shortfall in the amount appropriated to the educational scholarship program and then to any other educational programs and purposes otherwise provided by law for which net lottery proceeds may be expended. In the event it becomes necessary to draw from the general shortfall reserve subaccount in any fiscal year for educational programs and purposes, such programs and purposes shall be reviewed and shall be reduced to accommodate available net lottery proceeds, exclusive of the general shortfall reserve subaccount, estimated to be available in the next fiscal year. In the event the general shortfall reserve subaccount is drawn upon, the subaccount shall be brought back to its prior level with the first available funds duly deposited into the lottery for education account.

(c)(1) In the budget document submitted to the General Assembly, as a separate budget category entitled "net lottery proceeds", the Governor shall estimate the amount of net lottery proceeds and treasurer's earnings thereon to be credited to the lottery for education account during the fiscal year and the amount of unappropriated surplus estimated to be accrued in the account at the beginning of the fiscal year. The sum of estimated net lottery proceeds, treasurer's earnings thereon, and unappropriated surplus shall be designated net lottery proceeds.

(2) In the budget document the Governor shall incorporate the recommendations of the appropriate state official, department or agency given authority over the specific educational programs and purposes otherwise provided by law for which appropriations should be made from the lottery for education account. Such recommendations shall be based on the estimate of net lottery proceeds provided pursuant to § 4-51-129(6). The General Assembly shall appropriate from the lottery for education account by specific reference to it, or by reference to "net lottery proceeds". All appropriations of net lottery proceeds to any particular budget unit shall be made together in a separate part entitled, identified, administered and accounted for separately as a distinct budget unit for net lottery proceeds. Such appropriations shall otherwise be made in the manner required by law for appropriations.

(3) It is the intent of the General Assembly that appropriations from the lottery for education account shall be for educational programs and purposes only in accordance with Article XI, Section 5 of the Constitution of Tennessee. Such net lottery proceeds shall be used to supplement, not supplant, existing resources for educational programs and purposes.

(4) If, for any educational program or purpose, less is expended in or during the fiscal year than is appropriated, the excess shall be available for appropriation the following fiscal year and shall not retain its character as funds for the particular purpose.

(d) Appropriations for educational programs and purposes from the lottery for education account not committed during the fiscal year shall not revert to the general fund at the end of the fiscal year, but shall be credited to the lottery for education account and retained there until allocated and appropriated as provided in subsection (c).

(e) In compliance with the requirement of this act that there shall be a separate accounting of net lottery proceeds, no deficiency in the lottery for education account shall be replenished by book entries reducing any non-lottery reserve of general funds, including specifically but without limitation the reserve for revenue fluctuations or other reserve accounts established by law; nor shall any program or project started specifically from net lottery proceeds be continued from the general fund; such programs must be adjusted or discontinued according to available net lottery proceeds unless the General Assembly by general law establishes eligibility requirements and appropriates specific other funds within the General Appropriations Act; nor shall any non-lottery surplus in the general fund be reduced. No surplus in the lottery for education account shall be reduced to correct any non-lottery deficiencies in sums available for general appropriations, and no surplus in the lottery for education account shall be included in any revenue or surplus calculated for setting aside any additional funds in the reserve for revenue fluctuations as provided in § 9-4-211.

Section 4-51-112. It is the intent of the General Assembly that the corporation encourage participation by minority-owned businesses. Accordingly, the board of directors shall adopt a plan which achieves to the greatest extent possible a level of participation by minority-owned businesses taking into account the total number of all retailers and vendors, including any subcontractors. The corporation is authorized

and directed to undertake training programs and other educational activities to enable such minority-owned businesses to compete for contracts on an equal basis. The board shall monitor the results of minority-owned business participation and shall report the results of minority-owned business participation to the General Assembly at least on an annual basis.

Section 4-51-113. (a) The corporation shall investigate the financial responsibility, security, and integrity of any lottery system vendor who is a finalist in submitting a bid, proposal, or offer as part of a major procurement. At the time of submitting such bid, proposal, or offer to the corporation, the corporation shall require the following items:

(1) A disclosure of the vendor's name and address and, as applicable, the names and addresses of the following:

(A) If the vendor is a corporation, the officers, directors, and each stockholder in such corporation; provided that in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially one percent (1%) or more of such securities need be disclosed;

(B) If the vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust;

(C) If the vendor is an association, the members, officers, and directors; and

(D) If the vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers;

(2) A disclosure of all the states and jurisdictions in which the vendor does business and the nature of the business in each such state or jurisdiction;

(3) A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including, but not limited to, lottery goods and services, and the nature of the goods or services involved for each such state or jurisdiction;

(4) A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the vendor's license, contract, or operation and the disposition of such in each such state or jurisdiction. If any lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive such a license shall be disclosed;

(5)(A) A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court, or in another jurisdiction, of the vendor for any felony or any other criminal offense other than a traffic violation;

(B) A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court, or in another jurisdiction, of any present employee, or past employee within ten (10) years, of the vendor for any felony or misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor;

(6) A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including bonded indebtedness, or any pending litigation of the vendor; and

(7) Such additional disclosures and information as the corporation may determine to be appropriate for the procurement involved.

(b) If ten percent (10%) or more of the cost of a vendor's contract is subcontracted, the vendor shall disclose all of the information required by this section for the subcontractor as if the subcontractor were itself a vendor.

(c) A lottery procurement contract shall not be entered into with any lottery system vendor who has not complied with the disclosure requirements described in subsections (a) and (b) of this section and any contract with such a vendor is voidable at the option of the corporation. Any contract with a vendor who does not comply with such requirements for periodically updating such disclosures during the tenure of contract as may be specified in such contract may be terminated by the corporation. The provisions of this section shall be construed broadly and liberally to achieve the ends of full disclosure of all information necessary to allow for a full and complete evaluation by the corporation of the competence, integrity, background, and character of vendors for major procurements.

(d) A major procurement contract shall not be entered into with any vendor who has been found guilty of a felony related to the security or integrity of a lottery in this or any other jurisdiction.

(e) A major procurement contract shall not be entered into with any vendor if such vendor has an ownership interest in an entity that had supplied consultation services under contract to the corporation regarding the request for proposals pertaining to those particular goods or services.

(f) For the purposes of this chapter, "jurisdiction" includes, but is not limited to:

(1) Any Native American tribal government;

(2) Any governmental body at the national, state or local level in the United States or its territories and possessions; and

(3) Any governmental body at the national or state, or its equivalent, level in any other country.

(g) No lottery system vendor nor any applicant for a major procurement contract may pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food and beverages having an aggregate value not exceeding one hundred dollars (\$100) in any calendar year, to any director, the chief executive officer or any employee of the corporation, or to a member of the immediate family of any such person.

(h) Notwithstanding any provision of this part to the contrary, no applicant for a major procurement contract, or any person employed by such applicant, may contact or otherwise solicit a member of the board of directors individually during the application and selection process for such contract. All contact and other solicitations made by an applicant for a major procurement contract, or any person employed by such applicant, shall be directed to the board as a whole.

Section 4-51-114. (a)(1) Except as provided in subdivision (2), each vendor shall, at the execution of the contract with the corporation, post a performance bond or letter of credit from a bank or credit provider acceptable to the corporation in an amount as deemed necessary by the corporation for that particular bid or contract. In lieu of the bond, a vendor may, to assure the faithful performance of its obligations, deposit and maintain with the corporation securities that are interest bearing or accruing and that are rated in one (1) of the three (3) highest classifications by an established nationally recognized investment rating service. Securities eligible under this section are limited to:

(A) Certificates of deposit issued by solvent banks or savings associations approved by the corporation and which are organized and existing under the laws of this state or under the laws of the United States;

(B) United States bonds, notes, and bills for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(C) Corporate bonds approved by the corporation. The corporation that issued the bonds shall not be an affiliate or subsidiary of the depositor.

Such securities shall be held in trust and shall have at all times a market value at least equal to the full amount estimated to be paid annually to the lottery vendor under contract.

(2) Because of certain economic considerations, minority businesses may not be able financially to comply with the bonding, deposit of securities, or letter of credit requirements of subdivision (1). In order to assure minority participation in major procurement contracts to the most feasible and practicable extent possible, the chief executive officer is authorized and directed to waive the bonding, deposit of securities, and letter of credit

requirements of subdivision (1) for a period of five (5) years from the time that a minority business enters into a major procurement contract for any minority business which substantiates financial hardship pursuant to the policies and procedures established by the board.

(b) Each vendor shall be qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state. All contracts under this section shall be governed by the laws of Tennessee.

(c) No contract shall be let with any vendor in which a public officer, as covered in § 8-50-501(a), or an employee of such officer, has an ownership interest of one percent (1%) or more.

(d) All major procurement contracts shall be competitively bid pursuant to policies and procedures approved by the board unless there is only one (1) qualified vendor and that vendor has an exclusive right to offer the service or product.

Section 4-51-115. (a) The General Assembly recognizes that to conduct a successful lottery, the corporation must develop and maintain a state-wide network of lottery retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lottery games while ensuring the integrity of the lottery operations, games, and activities.

(b) The corporation shall make every effort to provide small retailers a chance to participate in the sales of lottery tickets or shares.

(c) The corporation shall provide for compensation to lottery retailers in the form of commissions in an amount of not less than five percent (5%) of gross sales and may provide for other forms of compensation for services rendered in the sale or cashing of lottery tickets or shares.

(d) The corporation shall issue a certificate of authority to each person with whom it contracts as a retailer for purposes of display; provided that if a retailer contract permits sales at multiple locations, a separate certificate shall be issued for each authorized location. Every lottery retailer shall post and keep conspicuously displayed in a location on the premises where lottery tickets or shares are sold, and accessible to the public, its certificate of authority. No certificate shall be assignable or transferable.

(e) Notwithstanding any provision of law to the contrary, no business seeking to become a lottery retailer shall be prohibited from applying to the corporation, and if successful in such application, from selling lottery tickets or shares, including, but not limited to, businesses licensed pursuant to Title 57, Chapter 3, Part 2; provided that the corporation shall not issue, sell or authorize the sale of lottery tickets at any location licensed to provide deferred presentment services pursuant to Title 45, Chapter 17, Part 1, or to any pawnshop, as defined in § 45-6-203, or to any business engaged exclusively in the business of selling lottery tickets or shares; provided further that this subsection shall not preclude the corporation from selling or giving away lottery tickets or shares.

(f) The board shall develop a list of objective criteria upon which the qualification of lottery retailers shall be based. Separate criteria shall be developed to govern the selection of retailers of instant tickets and on-line retailers. In developing these criteria, the board shall consider such factors as the applicant's financial responsibility, security of the applicant's place of business or activity, accessibility to the public, integrity, and reputation. The board shall not consider political affiliation, activities, or monetary contributions to political organizations or candidates for any public office. The criteria shall include, but not be limited to, the following:

(1) The applicant shall be current in filing all applicable tax returns to the state of Tennessee and in payment of all taxes, interest, and penalties owed to the state of Tennessee, excluding items under formal appeal pursuant to applicable statutes. The Department of Revenue is authorized and directed to provide this information to the corporation upon request;

(2) No person, partnership, unincorporated association, corporation, including the board and executive officers thereof, or other business entity shall be selected as a lottery retailer who:

(A) Has been convicted of a criminal offense related to the security or integrity of a lottery in this state or any other jurisdiction;

(B) Has been convicted of any felony involving gambling or any misdemeanor involving gambling, theft, computer offenses, forgery, perjury, dishonesty or unlawfully selling or providing a product or substance to a minor in this state or any other jurisdiction unless such person's civil rights have been restored or at least five (5) years have elapsed from the date of the completion of the sentence without a subsequent conviction of a crime described in this subdivision (2)(B);

(C) Has been found to have violated the provisions of this chapter or any regulation, policy, or procedure of the corporation unless either ten (10) years have passed since the violation or the board finds the violation both minor and unintentional in nature;

(D) Is a vendor or any employee or agent of any vendor doing business with the corporation;

(E) Resides in the same household as a director or an officer of the corporation; or

(F) Has made a statement of material fact to the corporation knowing such statement to be false;

(g)(1) Persons applying to become lottery retailers shall be charged a uniform application fee for each lottery outlet. Retailers who participate in on-line games shall be charged a uniform application fee for each on-line outlet;

(2) Any lottery retailer contract executed pursuant to this section may, for good cause, be suspended, revoked, or terminated by the chief executive officer, or such officer's designee, if the retailer is found to have violated any

provision of this chapter or objective criteria established by the board. Review of such activities shall be in accordance with the procedures outlined in this chapter and shall not be subject to the Tennessee Uniform Administrative Procedure Act, compiled in Title 4, Chapter 5;

(3) All lottery retailer contracts shall be renewable annually unless, in the discretion of the corporation, sooner canceled or terminated. At the time of renewal, the corporation shall review the lottery retailer's compliance with the provisions of this chapter and Title 39, Chapter 17, Part 6. The corporation shall renew such contracts only if the lottery retailer is in compliance with the provisions of this chapter and Title 39, Chapter 17, Part 6 and would otherwise be eligible to be a lottery retailer pursuant to the provisions of this chapter and the terms of the retailer's contract; provided that a violation of the provisions of Title 39, Chapter 17, Part 6 by an employee of a lottery retailer shall only prohibit the issuance of a certificate of authority for the specific location of such violation for a period of one (1) year from the date of conviction unless, in the case of a lottery retailer operating multiple locations and in the discretion of the corporation, the entire contract should be canceled or terminated as otherwise provided by this chapter or by the retailer's contract.

(h) No lottery retailer or applicant to be a lottery retailer shall pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food and beverages having an aggregate value not exceeding one hundred dollars (\$100) in any calendar year, to any director, the chief executive officer or any employee of the corporation, or to a member of the immediate family of any such person.

Section 4-51-116. (a) The chairperson of the board of directors shall appoint a lottery retailer advisory board to be composed of twelve (12) lottery retailers, four (4) from each grand division, representing the broadest possible spectrum of geographical, racial and business characteristics of lottery retailers. The function of the advisory board shall be to advise the board of directors on retail aspects of the lottery and to present the concerns of lottery retailers throughout the state.

(b) Members appointed to the lottery retailer advisory board shall serve terms of two (2) years; provided that six (6) of the initial appointees shall serve terms of one (1) year.

(c) The advisory board shall establish its own rules and internal operating procedures. Members of the advisory board shall serve without compensation or reimbursement of expenses. The advisory board may report to the board of directors or to the legislative select committee in writing at any time. The board of directors may invite the advisory board to make an oral presentation to the board of directors at regular meetings of the board.

Section 4-51-117. (a) No lottery retailer contract shall be transferable or assignable.

(b) No lottery retailer shall contract with any person for lottery goods or services except with the approval of the board.

(c) Lottery tickets and shares shall only be sold by the retailer stated on the lottery retailer certificate of authority.

Section 4-51-118. (a) The corporation may establish a fidelity fund separate from all other funds and shall assess each retailer a one-time fee not to exceed one hundred dollars (\$100) per sales location. In accordance with § 4-51-106, the corporation is authorized to invest the funds or place such funds in one (1) or more interest-bearing accounts. Moneys deposited to the fund may be used to cover losses the corporation experiences due to nonfeasance, misfeasance or malfeasance of a lottery retailer. In addition, the funds may be used to purchase blanket bonds covering the corporation against losses from all lottery retailers. At the end of each fiscal year, the corporation shall pay to the lottery for education account any amount in the fidelity fund that exceeds five hundred thousand dollars (\$500,000), and such funds shall be commingled with and treated as net proceeds from the lottery.

(b) A reserve account may be established as a general operating expense account to cover amounts deemed uncollectable. The corporation shall establish procedures for minimizing any losses that may be experienced for the foregoing reasons and shall exercise and exhaust all available options in such procedures prior to amounts being written off to this account.

(c)(1) The corporation may require any retailer to post an appropriate bond, as determined by the corporation, using an insurance company acceptable to the corporation; provided that after one (1) full fiscal year of lottery operations the amount of any such bond shall not exceed the applicable district sales average of lottery tickets for two (2) quarterly billing periods.

(2) In its discretion, the corporation may allow a retailer to deposit and maintain with the corporation securities that are interest bearing or accruing. Securities eligible under this paragraph shall be limited to:

(A) Certificates of deposit issued by solvent banks or savings associations organized and existing under the laws of this state or under the laws of the United States;

(B) United States bonds, notes, and bills for which the full faith and credit of the United States is pledged for the payment of principal and interest;

(C) Federal agency securities by an agency or instrumentality of the United States government.

(3) Such securities shall be held in trust in the name of the corporation.

Section 4-51-119. (a) Any retail contract executed by the corporation pursuant to this chapter shall specify the reasons for which a contract may be canceled, suspended, revoked, or terminated by the corporation, which reasons shall include, but not be limited to:

(1) Commission of a violation of this chapter, a regulation, or a policy or procedure of the corporation;

(2) Commission of a violation of Title 39, Chapter 17, Part 6, relative to lottery offenses;

(3) Failure to accurately or timely account for lottery tickets, lottery games, revenues, or prizes as required by the corporation;

(4) Commission of any fraud, deceit, or misrepresentation;

(5) Insufficient sales;

(6) Conduct prejudicial to public confidence in the lottery;

(7) The retailer filing for or being placed in bankruptcy or receivership;

(8) Any material change as determined in the sole discretion of the corporation in any matter considered by the corporation in executing the contract with the retailer; or

(9) Failure to meet any of the objective criteria established by the corporation pursuant to this chapter.

(b) If, in the discretion of the chief executive officer, or such officer's designee, cancellation, denial, revocation, suspension or rejection of renewal of a lottery retailer contract is in the best interest of the lottery, the public welfare or the state of Tennessee, the chief executive officer, or such officer's designee, may cancel, suspend, revoke or terminate, after notice and a right to a hearing, any contract issued pursuant to this chapter. Such contract may, however, be temporarily suspended by the chief executive officer or his designee without prior notice pending any prosecution, hearing or investigation, whether by a third party or by the chief executive office. A contract may be suspended, revoked or terminated by the chief executive officer, or such officer's designee, for any one (1) or more of the reasons enumerated in this section. Any hearing held shall be conducted by the chief executive officer or such officer's designee. A party to the contract aggrieved by the decision of the chief executive officer, or such officer's designee, may appeal the adverse decision to the board. Such appeal shall be pursuant to the regulations, policies and procedures set by the board and is not subject to the Tennessee Uniform Administrative Procedure Act, compiled in Title 4, Chapter 5.

Section 4-51-120. (a) All proceeds from the sale of the lottery tickets or shares shall constitute a trust fund until paid to the corporation either directly or through the corporation's authorized collection representative. A lottery retailer and officers of a lottery retailer's business shall have a fiduciary duty to preserve and account for lottery proceeds and lottery retailers shall be personally liable for all proceeds. Proceeds shall include unsold instant tickets received by a lottery retailer and cash proceeds of the sale of any lottery products, net of allowable sales commissions and credit for lottery prizes sold to or paid to winners by lottery retailers. Sales proceeds and unused instant tickets shall be delivered to the corporation or its authorized collection representative upon demand.

(b) Pursuant to § 4-51-105(a)(3), the corporation shall adopt and enforce policies designed to safeguard and limit the opportunity for loss of lottery proceeds

which are not in the possession of the corporation. Such policies may include, but are not limited to:

- (1) Requirements governing financial institutions into which retailers shall deposit lottery proceeds;
- (2) Requirements for the establishment of separate accounts for the deposit of lottery proceeds by retailers;
- (3) The timing of deposit of lottery proceeds by retailers; and
- (4) The timing of withdrawal of funds from retailer accounts by the corporation.

Any such policies, and any revisions thereto, shall be filed with the state funding board.

(c) Notwithstanding any provision of law to the contrary, whenever any person who receives proceeds from the sale of lottery tickets or shares in the capacity of a lottery retailer becomes insolvent or dies insolvent, the proceeds due the corporation from such person or his estate shall have preference over all debts or demands.

Section 4-51-121. If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales and such computation of retail sales is not explicitly defined to include sales of tickets or shares in a state-operated or state-managed lottery, only the compensation received by the lottery retailer from the corporation may be considered the amount of the lottery retail sale for purposes of computing the rental payment.

Section 4-51-122. (a) In accordance with Title 39, Chapter 17, Part 6:

(1) No person shall sell a ticket or share at a price other than established by the corporation unless authorized in writing by the chief executive officer.

(2) No person, other than a duly certified lottery retailer, shall sell lottery tickets or shares.

(3) This subsection shall not be construed to prevent a person who may lawfully purchase tickets or shares from making a gift of lottery tickets or shares to another.

(4) This subsection shall not be construed to prevent a merchant who may lawfully purchase tickets or shares from making a gift of lottery tickets or shares as a means of promoting goods or services to customers or prospective customers subject to prior approval by the corporation.

(5) This subsection shall not be construed to prohibit the corporation from designating certain of its agents and employees to sell or give lottery tickets or shares directly to the public.

(b) No lottery retailer shall sell a lottery ticket or share except from the locations listed in the retailer's contract and as evidenced by the retailer's certificate of authorization unless the corporation authorizes in writing any temporary location not listed in the retailer's contract.

(c) In accordance with Title 39, Chapter 17, Part 6, no lottery tickets or shares shall be sold to persons under eighteen (18) years of age; provided that nothing in this chapter or Title 39, Chapter 17, Part 6, prohibits the purchase of a lottery ticket or share by a person eighteen (18) years of age or older for the purpose of making a gift to any person of any age. In such case, the corporation shall direct payment of proceeds of any lottery prize to an adult member of the person's family or a legal representative of the person on behalf of such person.

Section 4-51-123. (a) Except as otherwise provided in Part 2 of this chapter, attachments, garnishments, or executions authorized and issued pursuant to law shall be withheld from proceeds of any lottery prize if timely served upon the corporation. This subsection shall not apply to a retailer.

(b) The corporation shall adopt regulations, policies, and procedures to establish a system of verifying the validity of lottery tickets or shares claimed to win prizes and to effect payment of such prizes, except that:

(1) No prize, any portion of a prize, or any right of any person to a prize awarded shall be assignable. Any prize or any portion of a prize remaining unpaid at the death of a prize winner shall be paid to the estate of the deceased prize winner or to the trustee of a trust established by the deceased prize winner as settlor if a copy of the trust document or instrument has been filed with the corporation along with a notarized letter of direction from the settlor and no written notice of revocation has been received by the corporation prior to the settlor's death. Following a settlor's death and prior to any payment to such a successor trustee, the corporation shall obtain from the trustee a written agreement to indemnify and hold the corporation harmless with respect to any claims that may be asserted against the corporation arising from payment to or through the trust. Notwithstanding any other provisions of this section to the contrary, any person, pursuant to an appropriate judicial order, shall be paid the prize to which a winner is entitled;

(2) No prize shall be paid:

(A) Arising from claimed tickets that are stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received or not recorded by the corporation within applicable deadlines;

(B) Lacking in captions that conform and agree with the play symbols as appropriate to the particular lottery game involved; or

(C) Not in compliance with such additional specific regulations and public or confidential validation and security tests of the corporation appropriate to the particular lottery game involved;

(3) No particular prize in any lottery game shall be paid more than once and, in the event of a determination that more than one (1) claimant is entitled to a particular prize, the sole remedy of such claimants is the award to each of them of an equal share in the prize; and

(4)(A) A holder of a winning cash ticket or share from any lottery game conducted by a drawing shall claim a cash prize within one (1) year after the drawing in which the cash prize was won. If a multistate or multisovereign lottery game requires, by rule or regulation, a period of time less than one (1) year for redemption of a winning ticket, such period shall apply for that lottery game.

(B) In any Tennessee lottery game in which the player may determine instantly if he has won or lost, such player shall claim a cash prize within ninety (90) days, or for a multistate or multisovereign lottery game within one hundred eighty (180) days, after the end of the lottery game.

(C) If a valid claim is not made for a cash prize within the applicable period, the cash prize shall constitute an unclaimed prize for purposes of this section.

(d) No prize shall be paid upon a ticket or share purchased or sold in violation of this chapter. Any such prize shall constitute an unclaimed prize for purposes of this section.

(e) The corporation is discharged of all liability upon payment of a prize.

(f) No ticket or share shall be purchased by and no prize shall be paid to:

(1)(A) Any member of the board of directors;

(B) Any officer or employee of the corporation; or

(C) To any member of the immediate family of any person described in subdivisions (1)(A) or (B) residing as a member of the same household in the principal place of residence of any such person;

(2) No ticket or share shall be purchased by and no prize shall be paid to any officer, employee, agent, or subcontractor of any vendor, or to any member of the immediate family residing as a member of the same household in the principal place of residence of any such person if such officer, employee, agent, or subcontractor has access to confidential information which may compromise the integrity of the lottery.

(g) No lottery game utilizing an electronic or mechanical machine may use a machine which dispenses coins or currency.

(h)(1) Unclaimed prize money shall not constitute lottery proceeds. The provisions of Title 66, Chapter 29 shall not apply to unclaimed prize money of the corporation.

(2) A portion of unclaimed prize money, not to exceed two hundred thousand dollars (\$200,000) annually, shall be directed to the Department of Mental Health and Developmental Disabilities for the treatment of compulsive gambling disorder and educational programs related to such disorder. The Department of Mental Health and Developmental Disabilities shall prepare an annual report for the board and select committee concerning its efforts in the treatment of compulsive gambling. A portion of unclaimed prize money, not to exceed twenty-five thousand dollars (\$25,000) annually, shall be directed to the Department of Correction for the incarceration of any person convicted pursuant to the provisions of Title 39, Chapter 17, Part 6; provided that on any June 30, any funds unexpended by the department for such incarcerations shall not revert to the general fund but shall remain available in subsequent fiscal years to fund incarcerations under Title 39, Chapter 17, Part 6.

(3) Any unclaimed prize money in excess of the portions directed in accordance with the provisions of subdivision (2) may be added to the pool from which future prizes are to be awarded or used for special prize promotions.

Section 4-51-124. (a) Except as otherwise provided in this chapter, the corporation is subject to the provisions of Title 8, Chapter 44, Part 1 and Title 10, Chapter 7, Part 5. The corporation is specifically authorized to determine which information relating to the operation of the lottery is confidential. Such confidential information shall include, but is not limited to:

- (1) Trade secrets;
- (2) Security measures, systems, or procedures;
- (3) Security reports;
- (4) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the corporation to contract for goods or services on favorable terms;
- (5) Employee personnel information unrelated to compensation, duties, qualifications or responsibilities;
- (6) Information obtained pursuant to investigations which is otherwise confidential; and
- (7) Identifying information obtained from prize winners, including, but not limited to, home and work addresses, telephone numbers, social security number and any other information that could reasonably be used to locate the whereabouts of an individual; provided that the corporation may disclose any

relevant information to a claimant agency pursuant to Part 2 of this chapter and may disclose a lottery prize winner's name, home state, hometown and, if authorized by the prize winner, any other information.

Information deemed confidential pursuant to this section is exempt from the provisions of § 10-7-503. Meetings or portions of meetings devoted to discussing information deemed confidential pursuant to this section are exempt from the provision of Title 8, Chapter 44, Part 1.

(b) The corporation shall perform or cause to be performed full criminal history record checks prior to the execution of any vendor contract.

(c) The corporation, or its authorized agent, shall:

(1) Conduct criminal history record checks and credit investigations on all potential retailers; provided that the corporation, or its authorized agent, may conduct or cause to be conducted criminal history record checks and credit investigations on employees of potential and authorized lottery retailers at any time;

(2) Supervise ticket or share validation and lottery drawings;

(3) Inspect, at times determined solely by the corporation, the facilities of any vendor or lottery retailer in order to determine the integrity of the vendor's product or the operations of the retailer in order to determine whether the vendor or the retailer is in compliance with its contract;

(4) Report any suspected violations of this chapter to the appropriate district attorney or the attorney general and reporter and to any law enforcement agencies having jurisdiction over the violation; and

(5) Upon request, provide assistance to any district attorney, the attorney general and reporter or a law enforcement agency investigating a violation of this chapter or Title 39, Chapter 17, Parts 5 or 6.

Section 4-51-125. (a) The corporation may enter into intelligence sharing, reciprocal use, or restricted use agreements with the federal government, law enforcement agencies, lottery regulation agencies, and gaming enforcement agencies of other jurisdictions which provide for and regulate the use of information provided and received pursuant to the agreement.

(b) Records, documents, and information in the possession of the corporation received pursuant to an intelligence-sharing, reciprocal use, or restricted use agreement entered into by the corporation with a federal department or agency, any law enforcement agency, or the lottery regulation or gaming enforcement agency of any jurisdiction shall be considered investigative records of a law enforcement agency and are not subject to the provisions of §10-7-503 and shall not be released under any condition without the permission of the person or agency providing the record or information.

Section 4-51-126. (a) The corporation shall enter into its contracts for major procurements after competitive bidding. The requirement for competitive bidding does not apply in the case of a single vendor having exclusive rights to offer a particular service or product. Procedures adopted by the board shall be designed to allow the selection of proposals that provide the greatest long-term benefit to the state, the greatest integrity for the corporation, and the best service and products for the public.

(b) In any bidding process, the corporation may administer its own bidding and procurement or may utilize the services of the Department of General Services or other state agency or subdivision thereof.

Section 4-51-127. (a) Any retailer, vendor, or applicant for a retailer or vendor contract aggrieved by a final action of the board may appeal that decision to the chancery court of Davidson County.

(b) The chancery court of Davidson County shall hear appeals from decisions of the board and based upon the record of the proceedings before the board may reverse the decision of the board only if the appellant proves the decision to be:

- (1) Clearly erroneous;
- (2) Arbitrary and capricious;
- (3) Procured by fraud;
- (4) A result of substantial misconduct by the board; or

(5) Contrary to the United States Constitution or the Constitution of Tennessee or the provisions of this chapter.

(c) The chancery court may remand an appeal to the board to conduct further hearings.

(d) Any person who appeals the award of a major procurement contract for the supply of a lottery ticket system, share system, or an on-line or other mechanical or electronic system shall be liable for all costs of appeal and defense in the event the appeal is denied or the contract award is upheld. Costs of appeal and defense shall include, but is not limited to, court costs, bond and attorney's fees; provided that, upon motion of the corporation, such costs shall also include any loss of income to the corporation resulting from institution of the appeal if the court finds the appeal to have been frivolous.

Section 4-51-128. (a) The corporation may borrow, or accept and expend, in accordance with the provisions of this chapter, such moneys as may be received from any source, including income from the corporation's operations, for effectuating its corporate purposes, including the payment of the initial expenses of initiation, administration, and operation of the corporation and the lottery, and other lottery related purposes, including the payment of the initial expenses of initiation, administration, and operation of educational programs and purposes.

(b) The corporation shall be self-sustaining and self-funded. Moneys in the state general fund shall not be used or obligated to pay the expenses of the corporation or prizes of the lottery and no claim for the payment of an expense of the lottery or prizes of the lottery may be made against any moneys other than moneys credited to the corporation operating account.

(c) The corporation may purchase, lease, or lease-purchase such goods or services as are necessary for effectuating the purposes of this chapter. The corporation may make procurements which integrate functions such as lottery game design, lottery ticket distribution to retailers, supply of goods and services, and advertising. In all procurement decisions, the corporation shall take into account the particularly sensitive nature of the state lottery and shall act to promote and ensure security, honesty, fairness and integrity in the operation and administration of the lottery and the objectives of raising net lottery proceeds for the benefit of educational programs and purposes.

Section 4-51-129. To ensure the financial integrity of the lottery, the corporation, through its board of directors, shall:

(1) Submit quarterly and annual reports to the Governor, the select committee on the Tennessee Education Lottery Corporation created pursuant to Section 3 of this act, the comptroller of the treasury and the state treasurer, disclosing the total lottery revenues, prize disbursements, operating expenses, and administrative expenses of the corporation during the reporting period. The annual report shall additionally describe the organizational structure of the corporation and summarize the functions performed by each organizational division within the corporation;

(2) Adopt a system of internal audits; all audits performed by the internal audit staff of the corporation shall be conducted in accordance with the standards established by the comptroller of the treasury pursuant to § 4-3-304(9);

(3) Maintain weekly or more frequent records of lottery transactions, including the distribution of tickets or shares to retailers, revenues received, claims for prizes, prizes paid, prizes forfeited, and other financial transactions of the corporation;

(4)(A) Be subject to audits by the comptroller of the treasury in accordance with § 8-4-109. Such audits may be undertaken at anytime at the sole discretion of the comptroller; provided that the comptroller shall conduct, or contract for, an annual financial audit of the corporation. The comptroller of the treasury, or the comptroller's designated representatives, shall have access to the corporation's books, records and accounts whenever deemed necessary by such office. The comptroller of the treasury, or the comptroller's designated representatives, shall have access to any and all of the records of the corporation's distributing agencies, lottery vendors or lottery retailers that relate to the operation, administration or promotion of the lottery. Except as provided in subdivision (B), the corporation may, with prior notice to the comptroller of the treasury, contract with a licensed

independent certified public accountant or firm for additional audits concerning any phase of the operations of the corporation; provided that the licensed certified public accountant or firm shall have no financial interest in any vendor with whom the corporation is under contract. The corporation shall be responsible, as an operating expense, for reimbursement of the costs of audits prepared by the comptroller of the treasury and for the payment of fees for audits prepared by a licensed independent certified public accountant or firms. All audits shall be prepared in accordance with generally accepted governmental auditing standards.

(B) The corporation may, with prior approval of the comptroller of the treasury, contract with a licensed independent certified public accountant or firm for an additional annual financial audit of the corporation; provided that the licensed certified public accountant or firm shall have no financial interest in any vendor with whom the corporation is under contract. If a licensed independent certified public accountant or firm is employed pursuant to the provisions of this subdivision, the audit contract between the corporation and the licensed independent certified public accountant or firm shall be on contract forms prescribed by the comptroller of the treasury. The corporation shall be responsible, as an operating expense, for the payment of fees for audits prepared pursuant to the provisions of this subdivision. Such audits shall be prepared in accordance with generally accepted governmental auditing standards and shall meet minimum audit standards prescribed by the comptroller of the treasury.

(C) A copy of any audit performed by the comptroller of the treasury or any independent certified public accountant or firm shall be transmitted to the Governor, the Speaker of the Senate, the Speaker of the House of Representatives, the select committee chairpersons, the state treasurer and, if applicable, the comptroller of the treasury;

(5) Submit to the Department of Finance and Administration, the legislative budget office and the comptroller of the treasury by June 30th of each year a copy of the annual operating budget for the corporation for the next fiscal year. This annual operating budget shall be approved by the board and be on such forms as prescribed by the Department of Finance and Administration;

(6) For informational purposes only, submit to the Department of Finance and Administration on September 1 of each year a proposed operating budget for the corporation for the succeeding fiscal year. This budget proposal shall also be accompanied by an estimate of the net lottery proceeds to be deposited into the lottery for education account during the succeeding fiscal year. This budget shall be on such forms as prescribed by the Department of Finance and Administration; and

(7) Adopt the same fiscal year as that used by state government.

Section 4-51-130. The General Assembly, by enacting this chapter and Title 39, Chapter 17, Part 6, intends to preempt any other regulation of the area covered by this chapter and Title 39, Chapter 17, Part 6. No political subdivision or agency may enact or enforce a law, ordinance, resolution or regulation that regulates or prohibits any conduct in the area covered by this chapter and Title 39, Chapter 17, Part 6.

Section 4-51-201. The purpose of this part is to establish a policy and to provide a system whereby all claimant agencies of this state in conjunction with the corporation shall cooperate in identifying debtors who owe money to the state through its various claimant agencies or to persons on whose behalf the state and its claimant agencies act and who qualify for prizes under Part 1 of this chapter from the corporation. It is also the purpose of this part to establish procedures for setting off against any such prize the sum of any debt owed to the state or to persons on whose behalf the state and its claimant agencies act. It is the intent of the General Assembly that this part be liberally construed to effectuate these purposes.

Section 4-51-202. As used in this part unless the context otherwise requires:

(1) "Claimant agency" means any state agency, department, board, bureau, commission or authority to which an individual owes a debt or which acts on behalf of an individual to collect a debt.

(2) "Debt" means any liquidated sum due and owing any claimant agency, which sum has accrued through contract, subrogation, tort or operation of law regardless of whether there is an outstanding judgment for the sum or any sum which is due and owing any person and is enforceable by the state or any of its agencies or departments.

(3) "Debtor" means any individual owing money to or having a delinquent account with any claimant agency, which obligation has not been adjudicated as satisfied by court order, set aside by court order or discharged in bankruptcy.

(4) "Prize" means the proceeds of any lottery prize awarded under Part 1 of this chapter.

Section 4-51-203. The collection remedy authorized by this part is in addition to and not in substitution for any other remedy available by law.

Section 4-51-204. (a) Any claimant agency may submit to the corporation a list of the names of all persons owing debts in excess of one hundred dollars (\$100) to such claimant agency or to persons on whose behalf the claimant agency is acting. The full amount of the debt shall be collectable from any lottery winnings without regard to limitations on the amounts that may be collectable in increments through garnishment or other proceedings. Such list shall constitute a valid lien upon and claim of lien against the lottery winnings of any debtor named in such list. The list shall contain the names of the debtors, their social security numbers, if available, and any other information which would assist the corporation in identifying the debtors named in the list.

(b) The corporation is authorized and directed to withhold any winnings subject to the lien created by this section and send notice to the winner by certified mail, return receipt requested, of such action and the reason the winnings were withheld. However, if the winner appears and claims winnings in person, the corporation shall notify the winner at that time by hand delivery of such action. If the debtor does not protest the withholding of such funds in writing within thirty (30) days of such notice, the corporation shall pay the funds over to the claimant agency. If the debtor protests the withholding of such funds within thirty (30) days of such notice, the corporation shall file an action in interpleader in the circuit court of the county in which the debtor resides if the debtor resides in Tennessee. If the debtor does not reside in Tennessee, such action shall be filed in Davidson County. The corporation shall pay the disputed sum into the clerk of the court and give notice to the claimant agency and debtor of the initiation of such action.

(c) The liens created by this section shall rank among themselves as follows:

(1) Taxes due the state;

(2) Delinquent child support; and

(3) All other judgments and liens in order of the date entered or perfected.

(d) The corporation shall not be required to deduct claimed debts from prizes paid out by retailers or entities other than the corporation.

(e) Any list of debt provided pursuant to this part shall be provided periodically as the corporation shall provide by rules and regulations and the corporation shall not be obligated to retain such lists or deduct debts appearing on such lists beyond the period determined by such rules and regulations.

(f) Pursuant to § 4-51-105(a)(3), the corporation is authorized to prescribe forms and promulgate rules and regulations which it deems necessary to carry out the provisions of this part.

(g) The corporation and any claimant agency shall incur no civil or criminal liability for good faith adherence to the provisions of this section.

(h) The claimant agency shall pay the corporation for all costs incurred by the corporation in setting off debts in the manner provided in this part.

Section 4-51-205. (a) Pursuant to § 4-51-124, the corporation may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this part.

(b) The information obtained by a claimant agency from the corporation in accordance with this part shall retain its confidentiality and shall only be used by a claimant agency in the pursuit of its debt collection duties and practices. Any employee or prior employee of any claimant agency who unlawfully discloses any such information for any other purpose, except as otherwise specifically authorized by

law, shall be subject to a civil penalty of fifty dollars (\$50.00) which shall be collected by the claimant agency as otherwise provided by law.

Section 4-51-206. The provisions of this part shall only apply to prizes of six hundred dollars (\$600) or more.

SECTION 3. (a) There is hereby created a special joint committee of the General Assembly to be known as the select committee on the Tennessee Education Lottery Corporation.

(b) The select committee shall be composed of eighteen (18) members. Nine (9) senators shall be appointed by the Speaker of the Senate, provided that: at least three (3) of whom shall be appointed from the membership of the State and Local Government Committee, one (1) of whom shall be the chair; at least two (2) of whom shall be appointed from the membership of the Education Committee, one (1) of whom shall be the chair; and, at least one (1) of whom shall be appointed from the membership of the Finance, Ways and Means Committee, who shall be the chair. Nine (9) representatives shall be appointed by the Speaker of the House of Representatives, provided that: at least three (3) of whom shall be appointed from the membership of the State and Local Government Committee, one (1) of whom shall be the chair; at least two (2) of whom shall be appointed from the membership of the Education Committee, one (1) of whom shall be the chair; and, at least one (1) of whom shall be appointed from the membership of the Finance, Ways and Means Committee, who shall be the chair. The chairpersons of the Senate and House State and Local Government Committees shall serve as co-chairs of the select committee. During the organizational session of each General Assembly, the respective speakers shall appoint or reappoint members to serve on the select committee on the Tennessee Education Lottery Corporation. Any vacancies occurring on the select committee, between organizational sessions, shall be filled by the respective speakers in accordance with the guidelines established in this subsection.

(c) The select committee, at the call of the co-chairs, shall periodically inquire into and review the operations of the Tennessee Education Lottery Corporation as well as periodically review and evaluate the success with which the corporation is accomplishing its statutory duties and functions as provided in this act.

(d) The select committee may conduct, or cause to be conducted, any independent audit or investigation of the corporation it deems necessary.

(e) The Tennessee Education Lottery Corporation shall provide the select committee, not later than December 1 of each year, with a complete report of the level of participation of minority businesses in all retail and major procurement contracts awarded by the corporation.

(f) Members of the select committee shall be entitled to reimbursement for their expenses in attending meetings of the committee or any subcommittee thereof at the same rates and in the same manner as when attending the General Assembly. As an operating expense of the corporation, the corporation shall transfer a sum sufficient to the office of legislative administration for the cost of the meetings of the committee.

SECTION 4. (a) The Tennessee Education Lottery Corporation shall be eligible to be a participating employer in the Tennessee consolidated retirement system upon:

(1) Passage of a resolution by the corporation's board of directors authorizing an actuarial study; and

(2) Passage of a resolution by the corporation's board of directors authorizing such participation and accepting the liability as a result of the participation by its full-time employees.

(b) The employees of the corporation shall make the same contributions, participate in the same manner, and shall be eligible for the same benefits as employees of local governments participating in the retirement system under this part.

(c) The employees shall be entitled to credit for prior service as approved by the board of directors of the corporation under the same provisions which apply to employees of local governments.

(d) The retirement system shall not be liable for the payment of retirement allowances or other payments on account of employees of the corporation or their beneficiaries for which reserves have not been previously created from funds contributed by the corporation and/or its employees.

(e) In case of the withdrawal of the corporation as a participating employer, the benefits of the members and beneficiaries shall be determined in accordance with the provisions of § 8-35-211.

(f) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the corporation.

SECTION 5. Tennessee Code Annotated, Section 39-17-505, is amended by deleting subsection (a) and by substituting instead the following:

(a)(1) A person commits an offense who knowingly owns, manufactures, possesses, buys, sells, rents, leases, stores, repairs, transports, prints or makes any gambling device or record.

(2) It is not an offense for a person to own or possess in this state a lottery ticket originating from a state in which a lottery is lawful, if such ticket is not owned or possessed for the purpose of resale.

(3) It is not an offense for a person to knowingly own, manufacture, possess, buy, sell, rent, lease, store, repair, transport, print or make any gambling device or record if such device or record is owned, manufactured, possessed, bought, sold, rented, leased, stored, repaired, transported, printed or made pursuant to the provisions of Title 4, Chapter 51, Part 1 and Title 39, Chapter 17, Part 6.

SECTION 6. Tennessee Code Annotated, Section 39-17-506, is amended by deleting subsection (a) in its entirety and by substituting instead the following:

(a) A person commits an offense who knowingly makes or aids in the making of any lottery. For the purposes of this section, "makes or aids in the making of any lottery" does not include:

(1) Ownership or possession in this state of a lottery ticket originating from another state in which a lottery is lawful, if such ticket is not owned or possessed for the purpose of resale; provided that nothing in this subdivision shall be construed as preventing the sale of lottery tickets or shares under the authority of the Tennessee Education Lottery Corporation; or

(2) The Tennessee education lottery operated pursuant to Title 4, Chapter 51, Part 1.

SECTION 7. Tennessee Code Annotated, Section 39-17-506(b), is amended by deleting the language "For the purposes of this section, 'making a lottery' includes" and by substituting instead the language "For the purposes of this section, 'makes or aids in the making of any lottery' includes".

SECTION 8. Tennessee Code Annotated, Title 39, Chapter 17, is amended by adding the following language as a new, appropriately designated part:

Section 39-17-601. As used in this part, unless the context otherwise requires:

(1) "Corporation" means the Tennessee Education Lottery Corporation or its successor;

(2) "Proof of age" means a driver license or other generally accepted means of identification that describes the individual as eighteen (18) years of age or older, contains a photograph or other likeness of the individual, and appears on its face to be valid;

(3) "State lottery game" means any game of chance approved and operated pursuant to Title 4, Chapter 51, Part 1, including, but not limited to, instant tickets, on-line games and games using mechanical or electronic devices.

(4) "State lottery retailer" means:

(A) A person who sells state lottery tickets or shares on behalf of the corporation pursuant to a contract or an employee or agent of such person; or

(B) The corporation or an employee or agent of the corporation;

(5) "State lottery ticket or share" means a lottery ticket or share issued by, or under the authority of, the corporation for evidence of participation in a state lottery game.

Section 39-17-602. (a) It is an offense for any person, including a state lottery retailer, to sell a state lottery ticket or share to any person under eighteen (18) years of age.

(b) It is an offense for a state lottery retailer to allow a person under eighteen (18) years of age to purchase a state lottery ticket or share from an electronic or mechanical device.

(c) It is an offense for a state lottery retailer to allow a person under eighteen (18) years of age to play any state lottery game.

(d) It is an offense for a state lottery retailer to redeem a state lottery ticket or share for any person under eighteen (18) years of age.

(e) A person's first violation of any provision of this section is a Class B misdemeanor. A person's second or subsequent violation of any provision of this section is a Class A misdemeanor.

(f) It is an affirmative defense to prosecution under this section, which must be proven by a preponderance of the evidence, that the state lottery retailer reasonably and in good faith relied upon representation of proof of age in making, or allowing, the sale or redemption.

Section 39-17-603. (a) It is a delinquent act for a person under eighteen (18) years of age to purchase, or attempt to purchase, a state lottery ticket or share.

(b) It is a delinquent act for a person under eighteen (18) years of age to redeem, or attempt to redeem, a state lottery ticket or share.

(c) A violation of this section is punishable by a fine not to exceed fifty dollars (\$50.00) or, in the discretion of the court, community service work not less than twenty (20) hours nor more than fifty (50) hours.

(d) The provisions of this section shall not be construed as prohibiting any person under eighteen (18) years of age from handling or transporting state lottery tickets or shares as a part of and in the course of such person's employment; provided that the person is under the supervision of another employee who is at least twenty-one (21) years of age.

Section 39-17-604. (a) It is an offense for a person, other than a state lottery retailer, to sell a state lottery ticket or share.

(b) It is an offense for a person to sell a state lottery ticket or share at a price other than face value.

(c) It is an offense for a state lottery retailer to sell a state lottery ticket or share at a location other than the location listed on such retailer's certificate of authorization.

(d) A violation of this section is a Class A misdemeanor.

(e) It is an exception to the application of this section that:

(1) A state lottery retailer, with written pre-authorization from the chief executive officer of the corporation, sold state lottery tickets or shares at a price other than established by the corporation; and

(2) A state lottery retailer, with written pre-authorization from the chief executive officer of the corporation, sold state lottery tickets or shares at a temporary location.

(f) This section shall not be construed as preventing the corporation from giving or selling state lottery tickets or shares at any price or at any location.

Section 39-17-605. (a) It is an offense for a state lottery retailer to fail to display a certificate of authorization pursuant to § 4-51-115(d) at each location where such retailer sells state lottery tickets or shares.

(b) A violation of this section is a Class C misdemeanor.

Section 39-17-606. (a) Each state lottery retailer shall display, in a prominent place at the location where such retailer sells lottery tickets or shares, a sign, at least seventeen inches (17") high and twenty-two inches (22") wide, stating:

ATTENTION: STATE LAW STRICTLY PROHIBITS THE SALE OF
LOTTERY TICKETS TO PERSONS UNDER THE AGE OF
EIGHTEEN (18) YEARS; PROOF OF AGE MAY BE REQUIRED FOR
PURCHASE.

* * *

ATENCION: POR LEY DEL ESTADO DE TENNESSEE ES
ESTRICTAMENTE PROHIBIDO VENDER BOLETAS DE LOTERIA A
PERSONAS MENORES DE DIECIOCHO AÑOS; PRUEBA DE EDAD
PUEDEN SER REQUERIDA PARA COMPRARLAS.

(b) A violation of this section is a Class C misdemeanor.

Section 39-17-607. (a) It is an offense for any person to falsely make, alter, forge, pass or counterfeit a state lottery ticket with the intent to defraud.

(b) It is an offense for any person to knowingly influence, or attempt to influence, the winning of a prize through the use of coercion, fraud, deception or tampering with lottery equipment or materials.

(c)(1) A violation of subsection (a) is a Class D felony provided that the maximum fine shall be fifty thousand dollars (\$50,000).

(2) A violation of subsection (b) is a Class C felony provided that the maximum fine shall be one hundred thousand dollars (\$100,000).

Section 39-17-608. (a) It is an offense for any person to knowingly:

(1) Make a material false statement in any application to the corporation for a license or proposal to conduct lottery activities; or

(2) Make a material false entry in any book or record which is compiled for the corporation, maintained for the corporation or submitted to the corporation.

(b) A violation of this section is a Class D felony provided that the maximum fine shall be twenty-five thousand dollars (\$25,000) or the dollar amount of the false entry or statement, whichever is greater.

Section 39-17-609. All terminals, tickets, shares and other devices imported, transported or distributed under the authority of the Tennessee Education Lottery Corporation are exempt from the provisions of 15 U.S.C. § 1172.

Section 39-17-610. The General Assembly, by enacting this part, intends to preempt any other regulation of the area covered by this part and Title 4, Chapter 51. No political subdivision or agency may enact or enforce a law, ordinance, resolution or regulation that regulates or prohibits any conduct in the area covered by this part and Title 4, Chapter 51.

SECTION 9. Tennessee Code Annotated, Section 39-15-413(a), is amended by inserting the language " 39-17-602, 39-17-603," between the language "39-17-427," and the language "39-17-901".

SECTION 10. Tennessee Code Annotated, Section 39-15-413(a), is amended by inserting the language ", state lottery ticket or share" between the language "illegal drugs" and "or any other prohibited material".

SECTION 11. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, the amendment was adopted.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 3

AMEND by deleting Section 4-51-115(c) of Section 2 in its entirety and by substituting instead the following language:

(c) The corporation shall provide for compensation to lottery retailers in the form of commissions for the sale and cashing of lottery tickets or shares in an amount of six and one-half percent (6 ½ %) of gross sales. Each lottery retailer shall be required to cash lottery tickets or shares up to the amount authorized pursuant to § 4-51-108(a)(6) in the manner adopted by regulation, policy, or procedure of the board but shall be paid no additional compensation for cashing such lottery tickets or shares. The corporation may provide an amount not to exceed one percent (1%) of gross sales for other forms of compensation for services rendered by lottery retailers in the sale of lottery tickets or shares.

On motion, the amendment was adopted.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 4

AMEND by deleting from amendatory § 4-51-108(a)(1) of Section 2 the language "coins, notes or debit cards" and by substituting instead the language "coins or notes".

AND FURTHER AMEND by deleting item (8) from amendatory § 4-51-102 of Section 2 and by substituting instead the following:

(8) "Lottery," "lotteries," "lottery game," or "lottery games" means any game of chance approved by the board and operated pursuant to this chapter, including, but not limited to, instant tickets and on-line games. For the purposes of this chapter, "lottery," "lotteries," "lottery game," or "lottery games" does not include:

(A) Casino gambling or games of chance associated with casinos and prohibited pursuant to Article XI, Section 5 of the Constitution of Tennessee. For the purposes of this item, "casino gambling" means a location or business for the purpose of conducting illegal gambling activities, excluding the sale and purchase of lottery tickets or shares as authorized by this chapter;

(B) Video lottery. For the purposes of this item, "video lottery" means a lottery that allows a game to be played utilizing an electronic computer and an interactive terminal device, equipped with a video screen and keys, a keyboard or other equipment allowing input by an individual player, into which the player inserts coins or currency as consideration in order for play to be available, and through which terminal device, the player may receive free games or a voucher that can be redeemed for cash or non-cash prize, or nothing, determined wholly or predominantly by chance; or

(C) Games, other than instant tickets and on-line games, using mechanical or electronic devices; provided that player-activated vending machines and any internet-based games are prohibited;

AND FURTHER AMEND by deleting the second sentence from amendatory § 4-51-108(a)(1) of Section 2 and by substituting instead the following:

The board shall not approve, and the corporation shall not operate, video lottery, as defined in § 4-51-102(8)(B), or games, other than instant lotteries and on-line games, using electronic or mechanical devices; provided that player-activated vending machines and any internet-based games are prohibited;

AND FURTHER AMEND by deleting subdivision (9) from amendatory § 4-51-108(a) of Section 2 in its entirety and by substituting instead the following:

(9) The method to be used in selling tickets or shares; provided that player-activated vending machines and any internet-based games are prohibited;

AND FURTHER AMEND by deleting subsection (g) from amendatory § 4-51-123 of Section 2 in its entirety and by redesignating the subsequent subsection accordingly.

AND FURTHER AMEND by deleting item (3) from amendatory § 39-17-601 of Section 8 in its entirety and by substituting instead the following:

(3) "State lottery game" means any game of chance approved and operated pursuant to Title 4, Chapter 51, Part 1, including, but not limited to, instant tickets and on-line games.

AND FURTHER AMEND by deleting subsection (b) from amendatory § 39-17-602 of Section 8 in its entirety and by redesignating the subsequent subsections accordingly.

On motion, the amendment was adopted.

Senator Kurita moved to amend as follows:

AMENDMENT NO. 5

AMEND by deleting from the directory language of Senate State and Local Government Committee Amendment No. 3 the language "By deleting from amendatory § 4-51-108(a)(1)" and by substituting instead the language "By deleting from amendatory § 4-51-108(a)(2)".

On motion, the amendment was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 6

AMEND by adding the following language as a new, appropriately designated subsection to amendatory § 4-51-109 of Section 2:

(e) No person shall be selected to serve as the initial chief executive officer of the corporation who does not possess:

(1) At least two (2) years of experience as a chief executive officer or chief operating officer of a state lottery within the United States; or

(2) At least five (5) years of management level experience with a state lottery within the United States.

On motion, the amendment was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 7

AMEND by inserting the following language as a new, appropriately designated subsection to amendatory § 4-51-103 of Section 2:

(_) No director shall make a contribution to the campaign of a candidate for the General Assembly, to a candidate for Governor, to a political party or to a multi-candidate political campaign committee, political campaign committee, or any other entity which contributes to such campaigns or political party. Terms used in this section shall have the same meanings as terms defined in § 2-1-104 and 2-10-102.

On motion, the amendment was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 8

AMEND in amendatory Section 4-51-129 of Section 2 of the bill, as amended, by adding the following sentence at the end of subdivision (4)(A):

The comptroller shall have the same powers of audit, both fiscally and programmatically, as with any state department or agency.

On motion, the amendment was adopted.

Senator Henry moved to amend as follows:

AMENDMENT NO. 9

AMEND by deleting Section 4-51-115(c) of Section 2 in its entirety and by substituting instead the following language:

(c)(1) The corporation shall provide for compensation to lottery retailers in the form of commissions for the sale and cashing of lottery tickets or shares in an amount of not less than six and one-half percent (6 ½ %) of gross sales. Each lottery retailer shall be required to cash lottery tickets or shares up to the amount authorized pursuant to § 4-51-108(a)(6) in the manner adopted by regulation, policy, or procedure of the board but shall be paid no additional compensation for cashing such lottery tickets or shares.

(2) In addition to the commissions for services rendered by lottery retailers pursuant to subdivision (1), the corporation may provide for other forms of compensation for services rendered by lottery retailers relating to the sale of lottery tickets or shares.

On motion, the amendment was adopted.

Senator Henry moved that Amendment No. 10 be withdrawn, which motion prevailed.

Senator Cohen moved that Amendment No. 11 be placed behind Amendment No. 12, which motion prevailed.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 12

AMEND by deleting Section 3 in its entirety and by substituting instead the following:

SECTION 3. (a) There is hereby created a special joint committee of the General Assembly to be known as the select committee on the Tennessee Education Lottery Corporation.

(b) The select committee shall be composed of eighteen (18) members. Nine (9) senators shall be appointed by the Speaker of the Senate, provided that: at least three (3) of whom shall be appointed from the membership of the State and Local Government Committee, one (1) of whom shall be the chair; at least two (2) of whom shall be appointed from the membership of the Education Committee, one (1) of whom shall be the chair; and, at least one (1) of whom shall be appointed from the membership of the Finance, Ways and Means Committee. Nine (9) representatives shall be appointed by the Speaker of the House of Representatives, provided that: at least three (3) of whom shall be appointed from the membership of the State and Local Government Committee, one (1) of whom shall be the chair; at least two (2) of whom shall be appointed from the membership of the Education Committee, one (1) of whom shall be the chair; and, at least one (1) of whom shall be appointed from the membership of the Finance, Ways and Means Committee, who shall be the chair. The chairpersons of the Senate and House State and Local Government Committees shall serve as co-chairs of the select committee. During the organizational session of each General Assembly, the respective speakers shall appoint or reappoint members to serve on the select committee on the Tennessee Education Lottery Corporation. Any vacancies occurring on the select committee, between organizational sessions, shall be filled by the respective speakers in accordance with the guidelines established in this subsection.

(c) The select committee, at the call of the co-chairs, shall periodically inquire into and review the operations of the Tennessee Education Lottery Corporation as well as periodically review and evaluate the success with which the corporation is accomplishing its statutory duties and functions as provided in this act.

(d) The select committee may conduct, or cause to be conducted, any independent audit or investigation of the corporation it deems necessary.

(e) The Tennessee Education Lottery Corporation shall provide the select committee, not later than December 1 of each year, with a complete report of the level of participation of minority businesses in all retail and major procurement contracts awarded by the corporation.

(f) Members of the select committee shall be entitled to reimbursement for their expenses in attending meetings of the committee or any subcommittee thereof at the same rates and in the same manner as when attending the General Assembly. As an operating expense of the corporation, the corporation shall transfer a sum sufficient to the office of legislative administration for the cost of the meetings of the committee.

On motion, the amendment was adopted.

Senator Cohen moved that Amendment No. 11 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 13 be placed behind Amendment No. 14, which motion prevailed.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 14

AMEND by inserting the following language as a new, appropriately designated subsection to amendatory § 4-51-110 of Section 2:

(h) No person shall serve as a director, officer or employee of the corporation, or otherwise receive compensation for consultation or services from the corporation, while such person is a member of the General Assembly, the Governor, the secretary of state, the comptroller of the treasury, the state treasurer, a member of the Governor's cabinet or a cabinet-level member of the Governor's staff.

AND FURTHER AMEND by deleting from amendatory § 4-51-114(c) of Section 2 the language "or more." and by substituting instead the following language:

or more; provided that no contract shall be let with any vendor who is a member of the General Assembly, the Governor, the secretary of state, the comptroller of the treasury, the state treasurer, a member of the Governor's cabinet or a cabinet-level member of the Governor's staff or with any vendor in which any such official has an ownership interest.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 14

AMEND by inserting in subsection (h) at line three (3) after "person" the words "or any member of the immediate family of the person".

AND FURTHER AMEND by inserting in the last paragraph in the first line after "vendor who is" the words "or whose immediate family is".

AND FURTHER AMEND by inserting in the last line after the word "official" the words "or his or her immediate family".

On motion, Amendment No. 1 to Amendment No. 14 was adopted.

Senator Cohen moved that Amendment No. 2 to Amendment No. 14 be withdrawn, which motion prevailed.

Thereupon, Amendment No. 14, as amended, was adopted by the following vote:

Ayes	26
Noes	1
Present, not voting . . .	3

Senators voting aye were: Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Fowler, Graves, Haynes, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail and Williams--26.

Senator voting no was: Ford--1.

Senators present and not voting were: Dixon, Harper and Henry--3.

Senator Fowler moved that Amendment No. 13 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 15 be withdrawn, which motion prevailed.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 16

AMEND by deleting from item (12) of Section 4-51-102 of the amendatory language of Section 2 of Amendment # 2 the language "in excess of seventy-five thousand dollars (\$75,000)" and substituting instead the language "in excess of seventy-five thousand dollars (\$75,000) per year".

On motion, the amendment was adopted.

Senator Fowler moved that Amendment No. 17 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 18 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 19 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 20 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 21 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 22 be withdrawn, which motion prevailed.

Senator Fowler moved that Amendment No. 23 be withdrawn, which motion prevailed.

Senator Cohen moved to amend as follows:

AMENDMENT NO. 24

AMEND by deleting subsection (h)(3) from amendatory § 4-51-123 of Section 2 and by substituting instead the following:

(h)(3) Any unclaimed prize money in excess of the funds transferred in accordance with the provisions of subdivision (2) shall be directed as follows:

(A) Fifty percent (50%) to the Department of Education for after school programs at Boys and Girls Clubs located in each grand division of the state. Such programs to be in accordance with the provisions of Article XI, Section 5 of the Constitution of Tennessee; and

(B) Fifty percent (50%) to be added to the pool from which future prizes are to be awarded or used for special prize promotions.

Senator Jackson moved that Amendment No. 1 to Amendment No. 24 and Amendment No. 2 to Amendment No. 24 be placed behind Amendment No. 3 to Amendment No. 24, which motion prevailed.

Senator Jackson moved to amend as follows:

AMENDMENT NO. 3 TO AMENDMENT NO. 24

AMEND by deleting the following language:

(A) Fifty percent (50%) to the Department of Education for after school programs at Boys and Girls Clubs located in each grand division of the state. Such programs to be in accordance with the provisions of Article XI, Section 5 of the Constitution of Tennessee;

and by substituting instead the following:

(A) Fifty percent (50%) to the Department of Education for after school programs. Such programs to be in accordance with the provisions of Article XI, Section 5 of the Constitution of Tennessee; and

Pursuant to Rule 39(3), Amendment No. 3 to Amendment No. 24 was adopted by the following vote:

Ayes	30
Noes	1

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--30.

Senator voting no was: Henry--1.

Senator Jackson moved that Amendment No. 1 to Amendment No. 24 be withdrawn, which motion prevailed.

Senator Jackson moved that Amendment No. 2 to Amendment No. 24 be withdrawn, which motion prevailed.

Thereupon, on motion, Amendment No. 24, as amended, was adopted.

Senator Fowler moved to amend as follows:

AMENDMENT NO. 25

AMEND by deleting from amendatory § 4-51-102(15) of Section 2 the language "funds for compulsive gambling education and treatment" and by substituting instead the language "funds for education and treatment of problem and pathological gambling as described in the National Gambling Impact Study Committee's Report of June 1999".

AND FURTHER AMEND by deleting from amendatory § 4-51-123(h)(2) of Section 2 the following language:

treatment of compulsive gambling disorder and educational programs related to such disorder. The Department of Mental Health and Developmental Disabilities shall prepare an annual report for the board and select committee concerning its efforts in the treatment of compulsive gambling.

and by substituting instead the following language:

treatment of problem and pathological gambling, as described in the National Gambling Impact Study Committee's Report of June 1999 and educational programs related to such problems. The Department of Mental Health and Developmental Disabilities shall prepare an annual report for the board and select committee concerning its efforts in the treatment of such problems.

Senator Ford moved that Amendment No. 25 go to the table, which motion prevailed by the following vote:

Ayes	16
Noes	15

Senators voting aye were: Burks, Clabough, Cohen, Crutchfield, Dixon, Ford, Graves, Harper, Haynes, Jackson, Ketron, Kilby, Kurita, McLeary, Williams and Mr. Speaker Wilder--16.

Senators voting no were: Beavers, Bryson, Burchett, Cooper, Crowe, Fowler, Henry, Herron, McNally, Miller, Norris, Person, Ramsey, Southerland and Trail--15.

Senator Cooper moved for the previous question on **Senate Bill No. 1**, as amended, which motion prevailed by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

Thereupon, **Senate Bill No. 1**, as amended, passed its third and final consideration by the following vote:

Ayes	26
Noes	6

Senators voting aye were: Beavers, Burchett, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Jackson, Ketron, Kilby, Kurita, McLeary, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--26.

Senators voting no were: Atchley, Bryson, Burks, Henry, Herron and McNally--6.

A motion to reconsider was tabled.

Senator Crutchfield moved that **Senate Bill No. 1977**, as amended, be rereferred to the Committee on Transportation, which motion prevailed.

MOTION

Senator Williams moved that **Senate Bill No. 565** be rereferred to the Committee on Calendar, which motion prevailed.

MOTION

Senator Crutchfield moved that the rules be suspended for the immediate consideration of **Senate Joint Resolution No. 308**, out of order, which motion prevailed by the following vote:

Ayes 30
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--30.

RESOLUTION LYING OVER

Senate Joint Resolution No. 308 -- General Assembly, Recess & Reconvene -- Recesses Senate from close of business on Wednesday, April 30, 2003, until 5:00 p.m. on Monday, May 5, 2003.

On motion of Senator Crutchfield, the rules were suspended for the immediate consideration of the resolution.

On motion, **Senate Joint Resolution No. 308** was adopted by the following vote:

Ayes 31
Noes 1

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

Senator voting no was: Norris--1.

A motion to reconsider was tabled.

CALENDAR

Senator Crowe moved that **Senate Bill No. 1932** be rereferred to the Committee on Calendar, which motion prevailed.

Senate Bill No. 116 -- Pensions and Retirement Benefits -- Specifies that employees and teachers of new charter school and public school that converts to charter school are to have same social security coverage as those employees and teachers of LEA to which charter school is associated; such charter school employees and teachers to be considered employees of LEA for social security purposes. Amends TCA Title 8, Chapter 38, Part 1.

Senator Atchley moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting Sections 1 and 2 of the printed bill in their entirety and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 8, Chapter 38, Part 1, is amended by adding the following as a new appropriately designated section:

8-38-1___. Each public charter school formed pursuant to Title 49, Chapter 13, Part 1 shall enter into such agreements with the commissioner of social security as deemed necessary or desirable by the state agency to ensure that the benefits of the federal old-age and survivors' insurance system are extended to eligible employees of such charter school. The local board of education to which the charter school is associated shall be responsible for all reporting and submission of funds pursuant to this chapter.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 116**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

Senate Bill No. 166 -- Tennessee Higher Education Commission -- Allows constitutional officers to appoint designees to represent them on Tennessee Higher Education Commission. Amends TCA Title 49, Chapter 7, Part 2.

Senator Trail moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all provisions of the bill following the enacting clause and substituting the following:

SECTION 1. Tennessee Code Annotated, Section 49-7-207, is amended by adding the following new subsections:

(e) Neither the committee nor the commission is required to approve any institution or program submitted to them for approval under Part 20 of this chapter if,

in their judgment, adequate provisions for such institution or program exists within the proposed service area.

(f) When the committee or the commission receives a request for authorization of an institution or a program under Part 20 of this chapter, it shall provide timely notice of such application and the programs which are proposed to be offered to state institutions of higher education within whose service area the proposed institution or program is to be located. Any affected state institution may comment on the proposal to the committee or commission.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, the amendment was adopted.

MR. SPEAKER WILDER RELINQUISHES CHAIR

Mr. Speaker Wilder relinquished the Chair to Senator Haynes as Speaker pro tempore.

Thereupon, **Senate Bill No. 166**, as amended, passed its third and final consideration by the following vote:

Ayes	30
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail and Williams--30.

A motion to reconsider was tabled.

Senator Fowler moved that **Senate Bill No. 310** be placed on the calendar for Wednesday, April 30, 2003, which motion prevailed.

Senate Bill No. 311 -- Wills -- Clarifies that share of surviving spouse in intestate estates of decedents dying before January 1, 1998, is either child's share or one-third; for decedents dying January 1, 1998, and after elective share to be determined based on years of marriage as provided in Title 31, Chapter 4. Amends TCA Title 31, Chapter 2.

Senator Person moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. Notwithstanding any other provision of law to the contrary, the spouse of an intestate decedent may elect to take the intestate share provided pursuant to Tennessee Code Annotated, Section 31-2-104(a), or may elect to take an elective-share amount to be determined in accordance with the percentages set out in Tennessee Code Annotated, Section 31-4-101.

Senator Person moved to amend as follows:

AMENDMENT NO. 1 TO AMENDMENT NO. 1

AMEND by deleting the words, figures and symbols which read as follows:

by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION ____.

and by substituting instead the following words, figures and symbols:

by deleting Section 1 of the printed bill and by substituting instead the following:

SECTION 1.

On motion, Amendment No. 1 to Amendment No. 1 was adopted.

On motion, Amendment No. 1, as amended, was adopted.

Thereupon, **Senate Bill No. 311**, as amended, passed its third and final consideration by the following vote:

Ayes	27
Noes	0
Present, not voting . . .	2

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Fowler, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail and Williams--27.

Senators present and not voting were: Ford and McLeary--2.

A motion to reconsider was tabled.

Senate Bill No. 435 -- Real Estate Agents and Brokers -- Requires that brokers, affiliate brokers, and timeshare salespersons file proof of timely compliance with all educational requirements and errors and omissions insurance requirements prior to license renewal or reinstatement. Amends TCA Title 62, Chapter 13, Part 3.

On motion, Senate Bill No. 435 was made to conform with **House Bill No. 542**.

On motion, House Bill No. 542, on same subject, was substituted for Senate Bill No. 435.

Senator Cooper moved that Amendment No. 1 be withdrawn, which motion prevailed.

Thereupon, **House Bill No. 542** passed its third and final consideration by the following vote:

Ayes	32
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

A motion to reconsider was tabled.

Senator Cohen moved that **Senate Bill No. 783** be placed at the heel of the calendar for today, which motion prevailed.

Senator Cohen moved that **Senate Bill No. 1088** be placed on the calendar for Wednesday, April 30, 2003, which motion prevailed.

Senate Bill No. 1098 -- Collection Agencies -- Reduces from seven to three years amount of time bankruptcy can prevent person from becoming location manager. Amends TCA Section 62-20-125.

Senator Cooper moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. (a) Tennessee Code Annotated, Section 62-20-125, is amended by deleting subdivision (6) in its entirety.

(b) Tennessee Code Annotated, Section 62-20-125, is further amended by designating the existing language, as amended, as subsection (a) and by adding a new subsection thereto, as follows:

(b) The board may consider whether an applicant for a location manager license has filed a petition under the federal bankruptcy laws or state insolvency laws, or has had a receiver, fiscal agent or similar officer appointed by a court for the person's business or property. The board shall consider factors leading to such action and fiscal measures taken by the applicant subsequent to such action.

SECTION 2 This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 1098**, as amended, passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson,

Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

A motion to reconsider was tabled.

Senator Clabough moved that **Senate Bill No. 1199** be placed at the heel of the calendar for today, which motion prevailed.

Senate Bill No. 1312 -- Telecommunications -- Requires person or entity making telephone solicitation for charitable organization to any residential subscriber to state during call how much of money donated goes to charity. Amends TCA Title 47, Chapter 18 and Title 65, Chapter 4, Part 4.

Senator Cooper moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting the language "Any person or entity who makes a telephone solicitation regarding raising money for a charitable organization to any residential subscriber" from the amendatory language of Section 1, and by substituting instead the language "Any for-profit entity or any person who receives compensation, including but not limited to, a salary or a percentage of donations raised for a charitable organization, who makes a telephone call to solicit a donation for a charitable organization to any residential subscriber".

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 1312**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

Senate Bill No. 1493 -- Securities -- Extends statute of limitations for securities fraud claims under Tennessee law from earlier of one year from date of discovery or two years from date of violation to earlier of two years from discovery or five years from violation. Amends TCA Title 48, Chapter 2, Part 1.

On motion, Senate Bill No. 1493 was made to conform with **House Bill No. 1727**.

On motion, House Bill No. 1727, on same subject, was substituted for Senate Bill No. 1493.

Thereupon, **House Bill No. 1727** passed its third and final consideration by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

Senator Norris moved that **Senate Bill No. 1531** be placed on the final calendar, which motion prevailed.

Senate Bill No. 1562 -- Liens -- Creates lien on abandoned recreational vehicles for campground operators. Amends TCA Title 66, Chapter 19, Part 1.

Senator Cooper moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 66, Chapter 19, Part 1, is amended by adding the following as an appropriately designated new section:

Section 66-19-105. (a) Campgrounds substantially in the business of providing accommodations for recreational vehicles, as defined in § 55-50-102(41), shall be entitled to a lien upon all abandoned vehicles which lawfully come onto their premises. Such abandoned vehicles shall be retained in the campground owners' or managers' possession until all reasonable charges due are paid. A campground may, after sixty (60) days, enforce this lien in the manner prescribed for the enforcement of artisans' liens under §§ 66-14-102 - 66-14-106, except the campground shall only be required to advertise the sale of an abandoned vehicle one (1) time in a newspaper published in the place where the sale is to be held.

(b) A campground may collect any storage or related fees for any period of time in which a vehicle or associated equipment is abandoned upon the campground premises.

(c) The Commissioner of Commerce and Insurance is authorized to promulgate rules and regulations in accordance with the provisions of the Uniform Administrative Procedures Act, as compiled in Title 4, Chapter 5, to effectuate the purposes of this act.

SECTION 2 This act shall take effect upon becoming a law, the public welfare requiring it.

On motion, the amendment was adopted.

Senator Cooper moved that Amendment No. 2 be withdrawn, which motion prevailed.

Senator Miller moved to amend as follows:

AMENDMENT NO. 3

AMEND by adding the following language as a new, appropriately designated subsection to amendatory § 66-19-105 of Section 1:

(d) For purposes of providing notice to persons having an interest as provided in § 66-14-102, the campground shall notify any person that the campground:

(1) Has actual notice of an interest; and,

(2) If the property is required to have a title, conduct a search request with the Department of Safety, or such other state where the vehicle license tag indicates it is registered, and in the case of property which is not titled as a motor vehicle, submit a search request for the filing of a security interest under the Uniform Commercial Code, compiled in Title 47, Chapters 1-9, with the secretary of state and, in the state that is the apparent resident of the owner of the property, if other than Tennessee. The campground owner shall send, by certified mail, return receipt requested, notice of intent to enforce the lien to all known owners, all known interested parties, and to any other or interested party discernable through reasonable effort as provided in this subsection. For purposes of notice, there shall be a rebuttable presumption of reasonable inquiry and notice to interested parties, if the inquiry and notice provided in this subsection is fulfilled.

Pursuant to Rule 39(3), Amendment No. 3 was adopted by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

Thereupon, **Senate Bill No. 1562**, as amended, passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

A motion to reconsider was tabled.

Senate Bill No. 1923 -- Fireworks -- Requires state fire marshal to develop safety plan for use of pyrotechnic devices indoors; authorizes Commissioner of Commerce and Insurance to

develop rules and regulations to promote safety of patrons where pyrotechnics will be used indoors. Amends TCA Title 68, Chapter 104, Part 1.

Senator Cooper moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting all of the language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 68-104-107, is amended by adding the following language between the fifth and sixth sentences of the section:

If the display is to be performed within the limits of a county, but outside the limits of a municipality, the application shall so state and shall bear the signed approval of the chief supervisory law enforcement and fire department officials of such county, or such officials' designee. The chief supervisory law enforcement and fire department officials of such county, or such officials' designee, shall have the authority to demand all necessary documentation to ensure that the permittee has a fire suppression vehicle or firefighter at the site of the fireworks display as required by this part. Such documentation does not have to be submitted to the department. The applicable law enforcement or fire department official who issues approval of the fireworks display pursuant to this section shall determine how many firefighters are required for such fireworks display.

SECTION 2. Tennessee Code Annotated, Section 68-104-107, is further amended by designating the existing language, as amended, as subsection (a), and by adding the following new subsections thereto:

(b) The permittee conducting an outdoor public display of fireworks shall have at least one (1) fire suppression vehicle with the necessary personnel on site during such outdoor display. The permittee shall be responsible for all costs associated with the fire suppression vehicle.

(c)(1) The permittee conducting an indoor public display of fireworks shall have at least one (1) trained firefighter on site during such indoor display. The trained firefighter may be a volunteer firefighter. The permittee shall be responsible for all costs associated with the trained firefighters.

(2) Immediately before the start of the program that includes the use of indoor fireworks, the owner of the building or the authorized representative of the owner, shall orally notify attendees of the location of all exits from the building to be used in the event of a fire or other emergency.

(3) At least two (2) working fire extinguishers shall be in the area where the fireworks are to be employed.

(4) In any building in which indoor fireworks are to be employed, signs designating the location of all emergency exits shall be posted in each restroom that is available to the public.

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SECTION 3. This act shall take effect July 1, 2003, the public welfare requiring it.

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 1923**, as amended, passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

A motion to reconsider was tabled.

Senate Bill No. 1940 -- Health, Dept. of -- Permits any board, council, or committee governing health professions, medical laboratories, or alcohol or drug treatment facilities to impose additional sanction of paying actual and reasonable costs of investigation and prosecution of disciplinary contested case proceeding. Amends Tennessee Code Annotated, Title 63, Chapter 1, Part 1; Title 68, Chapter 24, Part 6; and Title 68, Chapter 29.

On motion, Senate Bill No. 1940 was made to conform with **House Bill No. 2040**.

On motion, House Bill No. 2040, on same subject, was substituted for Senate Bill No. 1940.

Senator Ford moved that Amendment No. 1 be withdrawn, which motion prevailed.

Thereupon, **House Bill No. 2040** passed its third and final consideration by the following vote:

Ayes 32
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Ford, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--32.

A motion to reconsider was tabled.

Senator Haynes moved that **Senate Bill No. 65** be placed on the calendar for Wednesday, May 7, 2003, which motion prevailed.

Senate Bill No. 1621 -- Labor -- Creates "Tennessee Protection of Minor Performers Act". Amends TCA Title 29 and Title 50, Chapter 5.

On motion, Senate Bill No. 1621 was made to conform with **House Bill No. 2000**.

On motion, House Bill No. 2000, on same subject, was substituted for Senate Bill No. 1621.

Senator Cooper moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting the language "or in violation of any minor labor law" from the first sentence of Section 50-5-223 of the amendatory language of Section 1.

On motion, the amendment was adopted.

Senator Herron moved to amend as follows:

AMENDMENT NO. 2

AMEND by adding the following language at the end of § 50-5-214: "Notwithstanding the foregoing, however, this section does not require court approval if the employing company assigns its rights in any such contract to a successor or affiliate entity."

AND FURTHER AMEND by adding the following language as subsection (d) to § 50-5-216:

(d) Upon application by any party or by order of the court, the petition or any portion thereof, including attachments, may be filed under seal.

AND FURTHER AMEND by deleting the punctuation "." at the end of the first sentence in § 50-5-222 and by substituting instead the following language and punctuation: "until the minor reaches the age of majority."

AND FURTHER AMEND by adding the following language at the end of § 50-5-222: "Gross earnings for the purpose of this section refers to those funds earned and received by the minor pursuant to the terms of the contract and does not include those funds applied towards recoupment pursuant to the contract."

AND FURTHER AMEND by deleting Section 50-5-223 in its entirety.

On motion, the amendment was adopted.

Thereupon, **House Bill No. 2000**, as amended, passed its third and final consideration by the following vote:

Ayes	31
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

Senate Bill No. 1471 -- Sunset Laws -- Pest control board, June 30, 2009. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 21.

Senator Harper moved to amend as follows:

AMENDMENT NO. 1

AMEND by adding the following new section immediately preceding the last section of the printed bill and by renumbering the subsequent section accordingly:

SECTION 3. Tennessee Code Annotated, Section 62-21-104, is amended by adding the following as a new appropriately designated subsection:

(d) The department shall establish by written policy, rule or regulation, provisions relative to conflicts of interest of board members

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 1471**, as amended, passed its third and final consideration by the following vote:

Ayes 31
Noes 0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Cooper, Crowe, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--31.

A motion to reconsider was tabled.

Senate Bill No. 783 -- Bail, Bail Bonds -- Authorizes judge to order defendant convicted of certain serious felonies to remain on bail pending appeal process upon making certain findings that defendant is not dangerous and will not flee rather than automatically revoking bail and remanding defendant to custody upon conviction. Amends TCA Title 40, Chapter 26 and Title 40, Chapter 35.

Senator Person moved to amend as follows:

AMENDMENT NO. 1

AMEND by deleting subdivisions (1), (2) and (3) of subsection (f) of the amendatory language of Section 2 and substituting instead the following:

(1) The defendant does not pose a significant risk of flight; and

(2) Apart from the facts constituting the offense, the defendant does not pose a significant danger to the community; and

(3) There are substantial questions of law likely to result in:

(A) Reversal;

(B) An order for a new trial; or

(C) A sentence reduced to a term of imprisonment less than the total of the time already served plus the expected duration of the appeal process.

On motion, the amendment was adopted.

Thereupon, **Senate Bill No. 783**, as amended, was rejected by the following vote:

Ayes	8
Noes	18
Present, not voting . . .	2

Senators voting aye were: Cohen, Cooper, Crutchfield, Dixon, Graves, Haynes, Henry and Trail--8.

Senators voting no were: Atchley, Beavers, Bryson, Burchett, Burks, Crowe, Fowler, Jackson, Ketron, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland and Williams--18.

Senators present and not voting were: Harper and Kilby--2.

A motion to reconsider was tabled.

Senator Clabough moved that **Senate Bill No. 1199** be placed on the calendar for Monday, April 28, 2003, which motion prevailed.

RECALL OF BILL

Senator Atchley moved that **House Bill No. 1428** be recalled from the Governor and the House, which motion prevailed by the following vote:

Ayes	30
Noes	0

Senators voting aye were: Atchley, Beavers, Bryson, Burchett, Burks, Clabough, Cohen, Crowe, Crutchfield, Dixon, Fowler, Graves, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Person, Ramsey, Southerland, Trail, Williams and Mr. Speaker Wilder--30.

REFERRAL

Mr. Speaker Wilder moved that **Senate Bill No. 731** be referred to the Committee on Finance, Ways and Means, which motion prevailed.

REPORT OF COMMITTEE ON DELAYED BILLS

Pursuant to Rule 27, the following bill and resolutions were reported out of Committee on Delayed Bills: Senate Bill No. 2021; and Senate Joint Resolutions Nos. 67 and 81.

WILDER, Chairperson
April 23, 2003

The Speaker announced that he had referred **Senate Joint Resolutions Nos. 67 and 81** to Committee on Calendar.

MOTION

On motion of Senator Burks, her name was added as sponsor of **Senate Bills Nos. 740, 1023, 1412, 1722, 1943 and 1955; and House Joint Resolution No. 378.**

On motion of Senator Trail, his name was added as sponsor of **Senate Bill No. 1923.**

On motion of Senator Williams, his name was added as sponsor of **House Joint Resolution No. 262.**

On motion of Senators Ford, Fowler, Jackson, Person and McNally, their names were added as sponsors of **Senate Bill No. 281.**

On motion of Senator Atchley, his name was added as sponsor of **House Joint Resolution No. 376.**

On motion of Senators Ford, Clabough, Graves, Trail and Ketron, their names were added as sponsors of **Senate Bill No. 1.**

On motion of Senator Haynes, his name was added as sponsor of **Senate Bill No. 1023.**

On motion of Senator Harper, her name was added as sponsor of **Senate Bill No. 1685.**

On motion of Senator Ketron, his name was added as sponsor of **House Joint Resolutions Nos. 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373 and 374.**

On motion of Senators Person, Ford, Dixon and Graves, their names were added as sponsors of **Senate Joint Resolution No. 305.**

ENGROSSED BILLS

March 23, 2003

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Bills Nos. 116, 166, 311, 1098, 1312, 1471, 1562 and 1923; and Senate Joint Resolutions Nos. 278, 279, 280, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 300, 305 and 307; and find same correctly engrossed and ready for transmission to the House.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENGROSSED BILLS

April 23, 2003

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully examined Senate Joint Resolution No. 308, and find same correctly engrossed and ready for transmission to the House.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

ENROLLED BILLS

April 22, 2003

MR. SPEAKER: Your Chief Engrossing Clerk begs leave to report that we have carefully compared Senate Bills Nos. 189, 195, 461, 508, 603, 740, 941, 950, 1114, 1468, 1581, 1783, 1887 and 1930; and find same correctly enrolled and ready for the signatures of the Speakers.

PATRICK W. MERKEL,
Chief Engrossing Clerk.

MESSAGE FROM THE HOUSE

April 23, 2003

MR. SPEAKER: I am directed to return to the Senate, Senate Bills Nos. 526, 708, 840, 1936 and 1980; signed by the Speaker.

BURNEY T. DURHAM,
Chief Clerk.

SIGNED

April 23, 2003

The Speaker announced that he had signed the following: Senate Bills Nos. 189, 195, 461, 508, 603, 740, 941, 950, 1114, 1468, 1581, 1783, 1887 and 1930.

MESSAGE FROM THE GOVERNOR

April 23, 2003

MR. SPEAKER: I am directed by the Governor to return herewith: Senate Joint Resolutions Nos. 216, 217, 218, 219, 230, 231, 232, 234, 236, 237, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 256, 257, 258 and 299; with his approval.

ROBERT E. COOPER, JR.,
Counsel to the Governor.

**REPORT OF COMMITTEE ON CALENDAR
CONSENT CALENDAR**

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Thursday, April 24, 2003: House Joint Resolutions Nos. 97, 387, 388, 389, 390, 391, 392, 393, 394, 395, 397, 398, 399 and 400.

This the 22nd day of April, 2003.
CROWE, Chairperson.

REPORT OF COMMITTEE ON CALENDAR

MR. SPEAKER: Your Committee on Calendar begs leave to report that we have met and set the following bills on the calendar for Thursday, April 24, 2003: Senate Bills Nos. 172, 427, 496, 563, 565, 735, 785, 940, 1582, 1744, 1753, 1852, 1854, 1862, 1890, 1905 and 1597.

This the 22nd day of April, 2003.
CROWE, Chairperson.

**REPORT OF COMMITTEE ON CALENDAR
LOCAL BILL
CONSENT CALENDAR**

Pursuant to Rule 26, the following bill has been set on the Consent Calendar for Thursday, April 24, 2003: Senate Bill No. 2016.

MOTION

Senator Cooper moved that **Senate Bill No. 1899** be placed on the calendar for the Committee on Commerce, Labor and Agriculture for Tuesday, April 29, 2003, which motion prevailed.

ADJOURNMENT

Senator Crutchfield moved the Senate adjourn until 9:00 a.m., Thursday, April 24, 2003, which motion prevailed.